CITY OF MANSFIELD, TX

Annual Comprehensive Financial Report

For Fiscal Year Ended Sept. 30, 2025

MANSFIELD
TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF MANSFIELD, TEXAS

For the Fiscal Year Ended
September 30, 2025

Prepared by:

Financial Services Department

MANSFIELD
TEXAS

CITY OF MANSFIELD, TEXAS
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INTRODUCTORY SECTION

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March 9, 2026

To the Honorable Mayor,
Members of City Council, and
Citizens of the City of Mansfield, Texas

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City, Texas (the City) for the fiscal year ended September 30, 2025.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Whitley Penn, LLP, a firm of licensed certified public accountants. The purpose of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated in 1890, is located in the southeastern portion of Tarrant County, with small areas of the City extending into Johnson and Ellis counties and is considered to be one of the top growth areas in the Dallas/Fort Worth Metroplex. The City currently occupies a land area of 38.8 square miles and serves an approximate population of 86,774. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City is a home rule-city and operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council

is responsible, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a nonpartisan, at-large basis. Council members serve three-year staggered terms so that at least two members are elected every year. The Mayor and each Council member, unless sooner removed under the provisions of the City Charter, holds office until a qualified successor is elected. Regular terms of office commence at the beginning of the first regular meeting of the Council in May or following the final election as provided in Section 4.05 (Charter Amendment of August 11, 1979).

This report includes all funds of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, traffic engineering, and infrastructure; planning and zoning; general administrative services; water treatment and distribution; sewer service; drainage enhancements and improvements; and recreational and cultural activities. In addition to general government activities, the Mansfield Park Facilities Development Corporation, the Mansfield Economic Development Corporation, and the Mansfield Public Facility Corporation are required to be included in the City's reporting entity. For additional information, see Note 1.A. of the Notes to Financial Statements.

The annual budget serves as the foundation for the City's financial planning, financial policies, and financial control. All agencies of the City are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review prior to September 1. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 15. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). However, the statutory authority or legal level of control for the authority of annual expenditures is appropriated at the fund level by the City Council. Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the governing council, if requested by the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 105 as part of the required supplementary information. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules section, which starts on page 120.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy

The City currently enjoys a favorable economic environment, and local indicators point to continued stability even after post-pandemic struggles. The region has a varied manufacturing and industrial base, and major retail development like Shops at Broad that adds to the relative stability of the unemployment rate. The current unemployment rate is below the national average.

Industry

Mansfield has a large industrial area within the City with rail service and adequate water storage to meet fire protection and other demands. The City is not financially dependent upon any one industry or type of industry. See page 145 in the Statistical Section for further information on principal taxpayers. The City recognizes the value of industry to its economic base and continues to seek industry that will be beneficial to the City. Beginning in Fiscal Year (FY) 1997, the Mansfield Economic Development Corporation, funded by a 1/2 cent sales tax, provides funds for economic development, including financial incentives, infrastructure needs, and tax relief through the City in the recruitment and retention of industry. Recent accomplishments in locating and expanding major businesses such as Texas Health Resources hospital, AMC warehouse, Mouser Electronics, Klein Tools, Solvay Polymers, Hoffman Cabinets, Amazon and H.E.B. are indicative of the accomplishments of the economic development program.

Transportation

The City is traversed east and west by U.S. Highway 287, and north and south by State Highway 360. The City has direct access to Interstate Highway 20 and Interstate Highway 30. Railroad freight service is provided by Union Pacific Railroad. The City is located approximately 30 miles south of the Dallas/Fort Worth International Airport.

Education

The City is served by the Mansfield Independent School District which consists of one pre-kindergarten academy; 24 elementary schools with grades kindergarten through 4; one early learners academy pre-kindergarten; seven intermediate schools with grades 5 and 6; two STEM Academies, seven middle schools for grades 7 and 8; five high schools with grades 9 through 12; one career & technology academy; one early college high school and one alternative campus. Enrollment for the 2024/2025 school year was approximately 35,851. Colleges within close proximity to the City are Tarrant and Dallas County Community Colleges, Southern Methodist University, Dallas Baptist University, University of Dallas, University of North Texas, Texas Women's University, University of Texas at Dallas, University of Texas at Arlington, Texas Christian University, and Texas Tech University Health Services Center School of Nursing satellite campus, all of which are well-known for their educational standards.

Medical Services

Full service medical service is provided by Methodist Health System and Texas Hospital Mansfield, and limited-service care is provided by Vencor Hospital and Cook Children's Clinic. Other full-service hospitals in the immediate area include Medical Center of Arlington, Arlington Memorial Hospital, Hughley Memorial Medical Center, Harris Methodist Hospital, Cook Children's, and John Peter Smith Hospital.

Area Economic Conditions

Mansfield, located in the Dallas/Fort Worth metroplex, and included as one of the 13 cities that comprise the Mid-Cities, continues to grow and develop. The overall outlook for Mansfield in the future is positive. The city is traversed by State Highway 360 and U.S. Highway 287. The major benefits to the City of State Highway 360 are as follows: direct north and south access to the Dallas/Fort Worth International Airport in 20 minutes; the potential of expanding the City's commercial/industrial and residential developments along the corridor of State Highway 360, as well as the numerous industrial parks located within the close proximity of State Highway 360 and U. S. Highway 287 intersection.

Over the past several years, the City and the local economy have experienced increasing property values and sales tax revenues. Current real estate values are trending upward, and the City is continuing to experience positive growth in residential, industrial, and commercial properties.

Long-term financial planning

The City of Mansfield, Texas has a long-term financial plan that includes ten years of projected financial data. The plan is intended to guide management in the daily decisions of managing the City's business matters and long-term capital projects. The plan assembles the visions of City Council, Management and City Staff, into a working plan that allows the vision of the City to be implemented over the course of time. The plan includes variables that allow for current and projected economic factors including:

- Focusing on the Future
- Building Strong Neighborhoods
- Developing a Strong Economy
- Providing a Safe Community
- Tools for Implementation

The Council adopted the Plan in November 2000, and it has been revised, modified, and amended since the original adoption of the plan. Most recently, the Council adopted the Mansfield 2040 Future Land Use Plan to guide the community's growth and physical development for the next 10 to 20 years.

Core Values for the City

City Council and City Management developed the following guiding principles known as True North:

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2024. This was the 38th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award and special recognition for Strategic Goals and Strategies for its annual budget document dated October 1, 2025. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Joe Smolinski
City Manager

Troy Lestina
Deputy City Manager

Darcy Lupton
Director of Financial Services

GFOA Certificate

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mansfield
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

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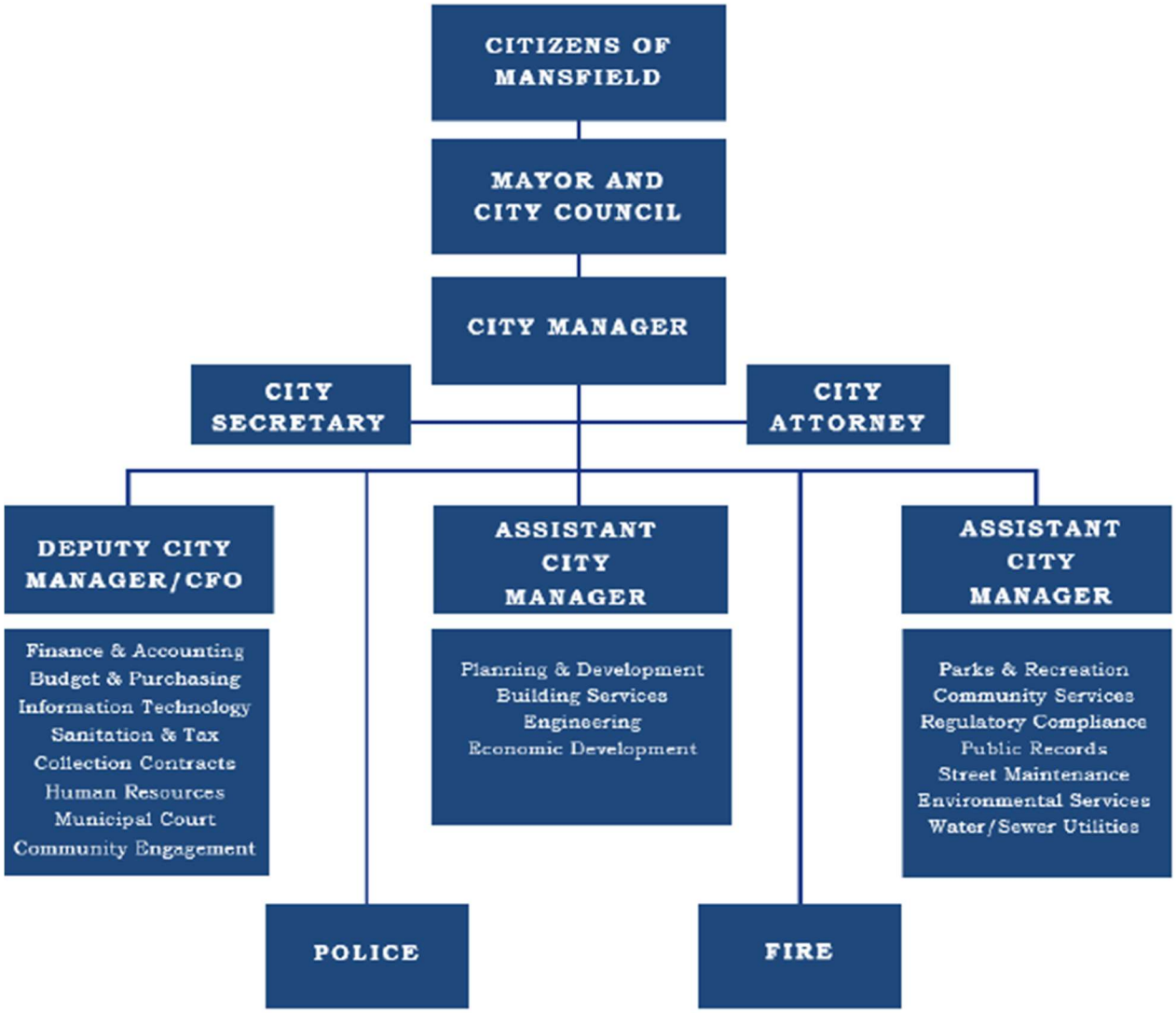

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PRINCIPAL OFFICERS

SEPTEMBER 30, 2025

MAYOR

Dr. Michael Evans, Sr.

MAYOR PRO TEM

Todd Tonore

CITY COUNCIL

Brent Newson
Juan Fresquez
Tamera Bounds
Todd Simmons
Larry Broseh

CITY MANAGER

Joe Smolinski

DEPUTY CITY MANAGER

Troy Lestina

DIRECTOR OF FINANCIAL SERVICES

Darcy Lupton

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of City Council
City of Mansfield, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Mansfield, Texas (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, general fund budgetary comparison schedule, pension information, and other-post employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Whitley Penn LLP
Fort Worth, Texas
March 9, 2026

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As management of the City of Mansfield, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The City's net position or assets and deferred outflows of resources less its liabilities and deferred inflows of resources at the close of the City's fiscal year is approximately $788 million.
- The City's deferred inflows of resources increased approximately $4 million due to differences between expected and actual experience for pension and OPEB plans, lease activities, and Public Private Partnerships.
- The City recognized approximately $236 million in revenue from various sources of taxes, services, and capital contributions and recognized approximately $212 million in expenses in servicing the City's governmental and business enterprises.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of approximately $250 million. Approximately 5% of this $250 million is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was approximately $24 million or 24% of total general fund expenditures.
- The City and MEDC's total debt obligations (excluding premiums and discounts) increased by $207.8 million (61.3%) during the current fiscal year. This is from approximately $240.9 million in new bond proceeds offset by refunding and defeasance of $16.3 million and $16.8 million in scheduled principal payments during the year. The key factors affecting the City's debt position are as follows:
    - General Obligation Refunding and Improvement Bonds, Series 2025 was issued in the amount of $13.0 million for the purpose of acquiring, constructing, expanding, and equipping the Mansfield Park Trail Network, and the acquisition of land, and for the purpose of refunding a portion of the City's debt (Combination Tax and Revenue Certificates of Obligation, Series 2016 and General Obligation Refunding and Improvement Bonds, Series 2016).
    - Combination Tax and Revenue Certificates of Obligation, Series 2025 was issued in the amount of $139.6 million for the purpose of designing, developing, constructing, improving, repairing, extending and expanding public infrastructure, parks and fire facilities, and the acquisition of vehicles and equipment for public safety and public works departments.
    - Special Assessment Revenue Bonds, Series 2025 for Staybolt PID Improvement Area #1 Improvements was issued in the amount of $9.2 million for the purpose of paying a portion of the costs related to Improvement Area #1 Improvements.
    - Sales Tax Revenue Bonds, Taxable New Series 2025 was issued in the amount of $22.6 million by Mansfield Economic Development Corporation for the purpose of designing, developing and constructing a professional multi-sport stadium and related infrastructure.
    - Sales Tax Revenue Bonds, Tax-Exempt New Series 2025 was issued in the amount of $56.5 million by Mansfield Economic Development Corporation for the purpose of designing, developing and constructing a professional multi-sport stadium and related infrastructure.

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on the City's assets and deferred outflows of resources less liabilities and deferred inflows of resources as the City's net financial position, or remaining net position. Over time, increases or

decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include a Water & Sewer Fund, and Drainage Fund.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Mansfield Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Mansfield Parks Facilities Development Corporation and the Mansfield Public Facility Corporation, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government. The City has four Tax Increment Financing Reinvestment Zones (TIRZs), all legally separate entities, which are geographically defined regions within the City limits established by the City. The purpose of the reinvestment zones are to pay for the public's infrastructure to be owned by the City within the region. The TIRZs are an integral part of the primary government. The City has three public improvement districts - South Pointe Public Improvement District, Starlin Public Improvement District, and Staybolt Public Improvement District, which are also an integral part of the primary government. The City established the South Pointe PID for the purpose of maintaining public improvements on approximately 873 acres in the TIRZ number one area. The City established the Starlin PID for the purpose of maintaining public improvements on approximately 121.5 acres. The City established the Staybolt PID for the purpose of maintaining public improvements on approximately 134.3 acres. An annual assessment will fund the public improvement districts.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 21 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, the Street Construction Fund, Mansfield Parks Facility Development Corporation, TIRZ #2, and the Building Construction Fund, all of which are considered to be major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water & Sewer Fund and Drainage Fund. The City uses an internal service fund to account for its self-insured group health insurance.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water & Sewer Fund, considered to be a major fund of the City and the Drainage Fund, considered to be nonmajor fund of the City. Additionally, the Group Health Insurance is presented as an internal service fund.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains one fiduciary fund to account for OPEB assets that are held in a trust for retirees of the City.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The City adopts an annual appropriated budget for its general fund and both debt service funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $787,951,292 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (91.4%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay

this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City's Net Position

The following is a summary of the City's Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 304,985,755	$ 214,603,885	$ 93,703,033	$ 105,937,337	$ 398,688,788	$ 320,541,222
Capital assets, net	686,145,653	612,224,441	309,346,158	284,918,939	995,491,811	897,143,380
Total Assets	991,131,408	826,828,326	403,049,191	390,856,276	1,394,180,599	1,217,684,602
Total Deferred Outflows of Resources	17,822,306	23,009,938	3,558,472	4,337,409	21,380,778	27,347,347
Other liabilities	33,001,767	21,570,098	10,388,175	5,860,548	43,389,942	27,430,646
Long-term liabilities	485,675,790	354,092,707	74,689,314	80,711,169	560,365,104	434,803,876
Total Liabilities	518,677,557	375,662,805	85,077,489	86,571,717	603,755,046	462,234,522
Total Deferred Inflows of Resources	23,322,141	20,084,808	532,898	147,638	23,855,039	20,232,446
Net Position						
Net investments in capital assets	431,563,296	404,729,970	288,374,479	260,551,898	719,937,775	665,281,868
Restricted	33,821,149	48,674,575	4,934,547	13,081,812	38,755,696	61,756,387
Unrestricted	1,569,571	686,106	27,688,250	34,840,620	29,257,821	35,526,726
Total Net Position	$ 466,954,016	$ 454,090,651	$ 320,997,276	$ 308,474,330	$ 787,951,292	$ 762,564,981

As of September 30, 2025, a portion of the City's net position, $38,755,696 or (4.9)% represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position of $29,257,821 may be used to meet the government's ongoing obligations to citizens and creditors. Total net position of the City is $787,951,292.

City's Changes in Net Position

The following is a consolidated summary of the City's Statement of Net Activities:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Beg - Net Position	$ 454,090,651	$ 406,454,538	$ 308,474,330	$ 285,022,918	$ 762,564,981	$ 691,477,456
Restatement	1,287,743	-	-	-	1,287,743	-
Beg - Net Position as restated	$ 455,378,394	$ 406,454,538	$ 308,474,330	$ 285,022,918	$ 763,852,724	$ 691,477,456
Revenues	$ 174,203,228	$ 183,004,350	$ 61,983,735	$ 70,613,903	$ 236,186,963	$ 253,618,253
Expenses	167,234,486	139,898,620	44,853,909	42,632,108	212,088,395	182,530,728
Transfers, Net	4,606,880	4,530,383	(4,606,880)	(4,530,383)	-	-
Net Change in Position	11,575,622	47,636,113	12,522,946	23,451,412	24,098,568	71,087,525
End - Net Position	$ 466,954,016	$ 454,090,651	$ 320,997,276	$ 308,474,330	$ 787,951,292	$ 762,564,981

The following is a summary of the City's Statement of Net Activities:

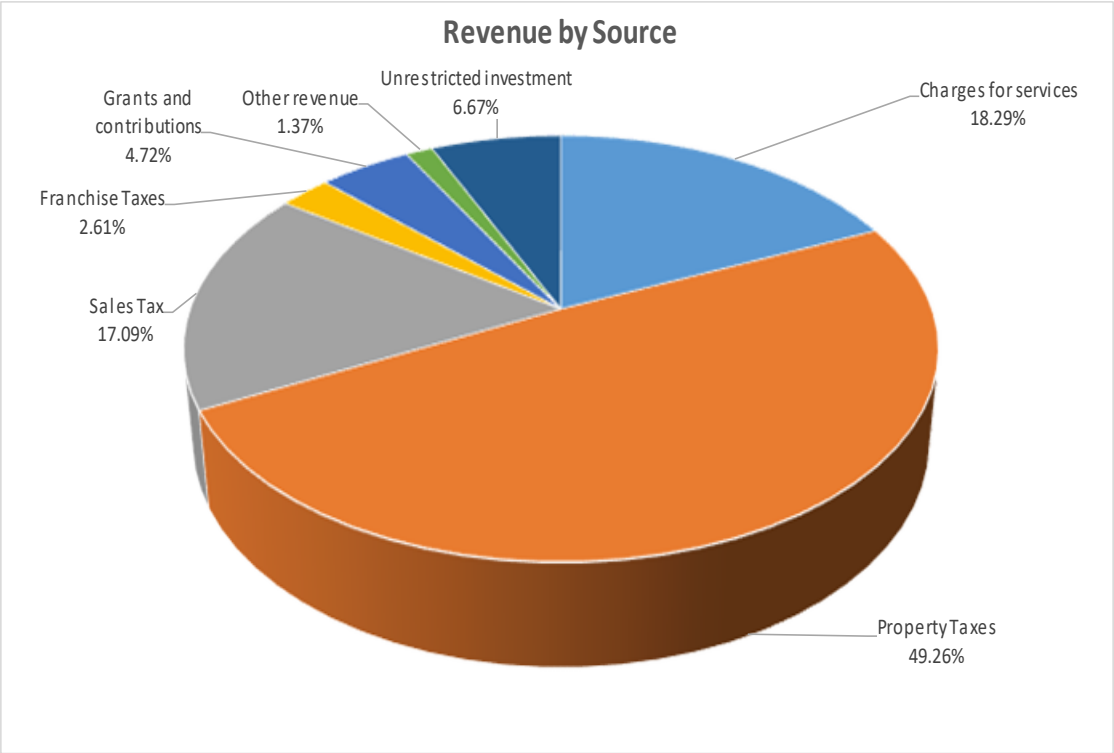
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	$ 31,856,432	$ 24,724,850	$ 56,587,408	$ 56,769,785	$ 88,443,840	$ 81,494,635
Operating grants and contributions	7,310,256	994,236	-	-	7,310,256	994,236
Capital grants and contributions	911,397	26,614,349	959,720	9,648,922	1,871,117	36,263,271
General revenues:						
Property tax	85,810,225	80,163,826	-	-	85,810,225	80,163,826
Sales tax	29,769,057	31,497,759		-	29,769,057	31,497,759
Other taxes	6,059,072	4,867,036	-	-	6,059,072	4,867,036
Gain on sale of capital assets	-	4,429,105	-	47,776	-	4,476,881
Other	12,486,789	9,713,189	4,436,607	4,147,420	16,923,396	13,860,609
Total Revenue	174,203,228	183,004,350	61,983,735	70,613,903	236,186,963	253,618,253
Expenses						
General government	53,405,519	37,953,399	-	-	53,405,519	37,953,399
Public safety	57,399,876	51,239,913	-	-	57,399,876	51,239,913
Public works	23,159,891	25,333,799	-	-	23,159,891	25,333,799
Culture and recreation	15,414,203	14,861,115	-	-	15,414,203	14,861,115
Interest on debt	17,854,997	10,510,394	-	-	17,854,997	10,510,394
Water and sewer	-	-	42,917,955	40,952,179	42,917,955	40,952,179
Drainage	-	-	1,935,954	1,679,929	1,935,954	1,679,929
Total Expenses	167,234,486	139,898,620	44,853,909	42,632,108	212,088,395	182,530,728
Increase (Decrease) in net position before transfers	6,968,742	43,105,730	17,129,826	27,981,795	24,098,568	71,087,525
Transfers Between Governmental and Business-type Activities	4,606,880	4,530,383	(4,606,880)	(4,530,383)	-	-
Net Increase (Decrease) in net position	11,575,622	47,636,113	12,522,946	23,451,412	24,098,568	71,087,525
Net Position, Beginning	454,090,651	406,454,538	308,474,330	285,022,918	762,564,981	691,477,456
Restatement	1,287,743	-	-	-	1,287,743	-
Net Position, Beginning, as Restated	455,378,394	406,454,538	308,474,330	285,022,918	763,852,724	691,477,456
Net Position - End of Year	$ 466,954,016	$ 454,090,651	$ 320,997,276	$ 308,474,330	$ 787,951,292	$ 762,564,981

Governmental Activities

For fiscal year 2025, the Governmental activities increased the City's net position by $11.6 million. The increase in the City's net position primarily increased because of an increase in property taxes and charges for services related to new commercial and residential developments that have been completed recently offset a decrease in grants and contributions, and an increase in expenses from operational growth in line with the population growth.

City governmental activity revenue for fiscal year 2025 decreased approximately $8.8 million from fiscal year 2024. Revenues in fiscal year 2024 were $183.0 million compared to this fiscal year revenue of $174.2 million. Significant changes include a $5.6 million increase in property taxes due to an increase in property valuations and taxpayers, a $19.4 million decrease in grants and contributions due to the completion of major commercial and residential developments in prior year and a decrease in gain on sale of assets due to no major sales of land to developers during the current year.

For fiscal year 2025, program and general revenue sources for governmental activities were distributed as follows:



Expenses in fiscal year 2025 compared to expenses in fiscal year 2024 increased by 19.5% or $27.3 million. General government and public works functional expenses increased, primarily due to payroll related expenditures, inflation, and to keep up with sustained growth from population increase and development requirements. Interest on debt increased $7.3 million due to increased debt activities. The remaining functional expenses remained consistent from prior year.

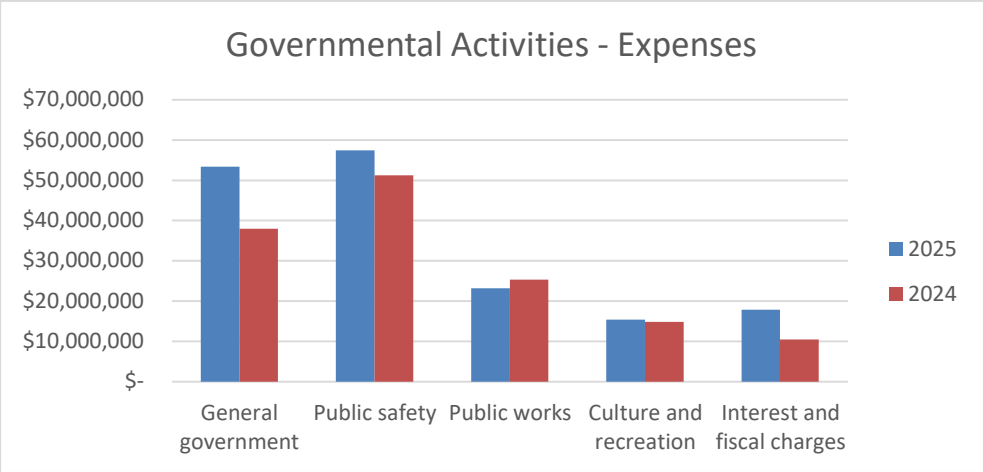
Functional expense continue to increase as a response to the latest citizens' survey to improvements in streets and culture and recreation expenditures increased due to non-capital projects within the parks department. The public works program of the City spends most of its money on street improvements, which are recognized over the course of time through depreciation expense after the improvements have been capitalized.

In fiscal 2025, the City recognized $16.8 million in depreciation expense for street-related assets which is consistent with prior year. Street improvements are expected to last twenty-five years with the appropriate level of maintenance and repair.

This year the City recognized $17.9 million in interest, amortization and associated issuance costs. Interest expense is the cost the City incurs for borrowing money to make long-term improvements that are generally regarded as long-term assets of the City.

During fiscal year 2025, the City implemented a restatement of beginning net position to properly present the City's internal service fund related to group health insurance. This restatement had the effect of increasing beginning net position of governmental activities by $1,287,743 to reflect the presentation of assets, liabilities, and net position associated with internal service operations in the newly presented fund.

For fiscal year 2025 and 2024, functional expenses for governmental activities were distributed as follows:



Business-Type Activities

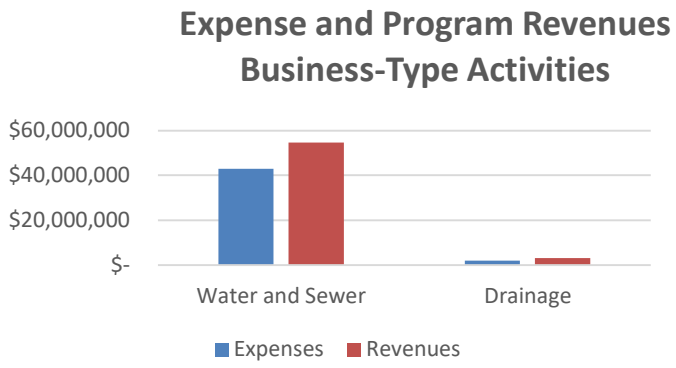
For fiscal year 2025, the Business-type activities increased the City's net position by $12.5 million.

Revenues without transfers were $61,983,735 in fiscal year 2025 compared to $70,613,903 in 2024. The $8,630,168 decrease or 12.2%, is due to a decrease in capital contributions while charges for services remained consistent. Expenses remained consistent with prior year.

Capital contributions have been a revenue source for the Business-Type Activities. These capital contributions are from the public improvements donated by developers. The City requires developers to pay for the cost of public improvements or infrastructure needed to support their developments, and in fiscal year 2025, developers contributed public improvements or assets of approximately $1.0 million. These assets are considered revenue in the year of acceptance or in the year of contribution. Generally, these capital contributions are non-cash contributions from developers and are in the form of Water & Sewer lines which are conveyed to the City as the developer finishes the developments.

The City's Drainage charges a fee for the maintenance and continuance of the drainage improvement program of the City. The City has drainage basins that require extensive maintenance. The fee is used to service the improvement cost, debt service, and annual maintenance of the basins.

A comparison between expenses and program revenues (charges for services and contributions) related to the Water & Sewer and the Drainage operations is as follows:



Expenses including interest for fiscal year 2025 were approximately $44.9 million before transfers of approximately $(4.6) million, and expenses including interest expense for fiscal year 2024 were approximately $42.6 million before transfers of approximately $(4.5) million. Expenses increased by $2.2 million primarily due to an increase in the cost of water and water treatment. The increase in net position was primarily the result of the activity of the City's Water & Sewer Fund as the City's other Business-Type Funds, the Drainage Fund, for fiscal year 2025 was 11.7% of the change in the net position.

Financial Analysis of The City's Funds

As discussed earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $250,407,078, an increase of $90,208,795 in comparison with the prior year. The majority of the increase is from the issuance of bonds and those proceeds have and will be used to construct public infrastructure and purchase equipment. Approximately 4.6% or $11,575,864 of the ending fund balance of $250,407,078 constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of fund balance is nonspendable as prepaid or inventory, restricted legally or committed for council approved purposes. To indicate the portion of fund balance that is not available for new spending, the City has labeled the remaining fund balances as follows: 1) restricted $224,115,962, 2) committed $343,528, and 3) nonspendable $14,371,724.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the general fund was $38,336,455. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total fund balance represents approximately 38.2% of total general fund expenditures for fiscal year 2025.

The City's General Fund balance increased $888,143 in fiscal year 2025. The key reasons for the increases are as follows:

- Actual expenditures exceeded actual revenues by $(2,590,589) in the General Fund. The largest revenue increases were related to property taxes $4,488,826 and franchise taxes $5,957,906. These increases are a result of increase in taxpayers.
- Other financing sources included the proceeds from issuance of bonds of $3,633,211 and related premium of $410,365.

The Debt Service fund has a fund balance of $6,669,740, which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was $773,433 due to increase in interest expenditures. The City pays for tax-pledged debt through the Debt Service Fund. Other financing sources and uses included the proceeds from issuance of bonds of $14,246,046 and related premium of $1,357,905 offset by payment to refunded bond escrow agent of $(11,527,773).

The street construction has a fund balance of $65,035,300 for fiscal year 2025. The street construction fund's fund balance increased by $18,384,726 as a result of newly issued construction bonds of $30,802,630 and related premium of $3,479,102. During the fiscal year there were construction payments of $27,316,782 related to the improvement of major streets and neighborhood streets in and throughout the City. Impact fees are additional revenues paid by developers charged by the City for the impact or costs that new development has on primary streets within the City. The impact fees generated amounted to $4,818,506 in fiscal year 2025.

The building construction fund has a fund balance of $101,937,444 for fiscal year 2025. The building construction fund's fund balance increased by $57,524,239 as a result of newly issued construction bonds of $91,622,418 and related premium of $10,291,068. During the fiscal year building projects increased with construction payments of $46,760,042 related to the improvement of public infrastructure throughout the City.

The Mansfield Parks Facility Development Corporation (MPFDC) has a fund balance of $20,837,763 for fiscal year 2025. MPFDC's fund balance increased by $6,436,804 during the fiscal year as a result of an increase in sales tax revenue of $1,143,841 offset by a decrease in parks facility construction of $6,171,389 from prior year.

TIRZ #2 has a deficit fund balance of $(7,756,039) for fiscal year 2025. TIRZ #2's fund balance decreased by $2,295,433 as a result of project expenditures incurred in advance of related tax-increment revenues. TIRZ financing requires up-front investment in public infrastructure, therefore expenditures continue to exceeded property tax revenues in the early phases of the zone. The deficit is expected to be eliminated over time as incremental property tax revenues are generated within the zone increase and are applied toward these costs. TIRZ #2 was restated as a major fund during fiscal year 2025.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

For fiscal year 2025, the Water & Sewer Fund's unrestricted net position amounted to $21,167,576 and a total net position of $304,541,916. For fiscal year 2025, the Drainage Fund's unrestricted net position amounted to $6,520,674 and a total net position of $16,455,360. For fiscal year 2025, the City's internal service fund's net position amounted to $424,406.

Net position increased in the Water & Sewer Fund by $11,054,369 for the fiscal year. The City treats lake water and charges a fee to its consumers. During fiscal year 2025, the City treated approximately 6.7 billion gallons of water. Water & Sewer operating revenues in fiscal year 2025 remained consistent with prior year. Water sales in 2025 was $29.7 million compared to $29.3 million in fiscal 2024. Sewer charges in 2025 was $19.0 million compared to $18.3 million in fiscal year 2024. Average daily consumption of water increased by 2,002 thousand gallons from prior year. Average daily treatment of sewer waste increased by 504 thousand gallons from prior year. The increase in Water & Sewer charges was offset by a decrease in impact fees of $638.3 thousand compared to prior year. Water & Sewer operating expenses remained consistent with prior year. Operating expenses are controlled through the direct administration of personnel costs and variable costs, which are directly caused by consumers' demand for the water.

Net position increased in the Drainage fund by $1,468,577 for the fiscal year. Drainage operating revenues and expenses remained consistent with prior year. Drainage fees in 2025 was $3.1 million in 2025 compared to $3.0 million in 2024. Operating expenses was $1.9 million in 2025 compared to $1.6 million in 2024.

Net position decreased by $863,337 in the internal service fund for the fiscal year. Contributions for the fiscal year amounted to $18.5 million while operating revenues totaled $19.6 million. Insurance premiums paid totaled $20.5 million for the fiscal year.

General Fund Budgetary Highlights

The City compared the final budget to the actual amounts for comparative purposes. The differences can be briefly summarized as follows:

- Revenue results were above budgeted estimates by $3.2 million for fiscal year 2025.
- Property Taxes were below budgeted estimates by $5.0 million as collections were less than anticipated. Property valuations improved year over year but the City adopted a 16% homestead exemption, an increase of 2% from prior

year. The City also decreased the current tax rate from $0.659293 to $0.645 per $100 of valuation in fiscal year 2025 which limited the taxable growth compared to the prior year.

- Sales Taxes were above budgeted projections by $1.1 million.
- Franchise Taxes were above budgeted projections by $0.3 million.
- Licenses and permits exceeded budgeted estimates by $0.9 million. The City's building permit revenues were above expectations due to the North Texas economy in general, and high demand for home builders and developers to be in Mansfield.
- Contributions and grants were above budgeted by $0.7 million due to unexpected grant revenue that was awarded to the City in fiscal year 2025. Most of the grant revenue received by the City in fiscal year 2025 was from the Motor Vehicles Crime Prevention Authority.
- Charges for services exceeded budgeted estimates by $2.3 million as the majority of the better than expected revenue was derived from the collection of additional inspections fees for developments within the City.
- The most significant expenditure of the City is human capital. Management has been effective in maintaining the human capital costs of the organization. With the other financing sources and uses activity included with the operational activity, the City's revenue exceeded its expenditures for the fiscal year by $888,143. The City was over the overall budget of expenditures by $3.3 million due to recording of capital outlay. The excess expenditures were offset by increased tax revenue and other financing sources related to the issuance of bonds.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets net of accumulated depreciation for its governmental and business-type activities as of September 30, 2025 amounts to $995,491,811 compared to $897,143,380 at September 30, 2024. This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, leased assets, subscription assets, and construction in progress.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 125,939,660	$ 124,425,103	$ 14,410,346	$ 14,298,767	$ 140,350,006	$ 138,723,870
Buildings and system	95,635,515	92,673,056	163,690,873	165,890,159	259,326,388	258,563,215
Improvements	22,980,103	10,744,492	1,135,064	190,910	24,115,167	10,935,402
Machinery and equipment	18,584,275	17,708,286	3,484,794	2,805,473	22,069,069	20,513,759
Infrastructure	270,837,039	268,168,595	87,992,861	81,738,778	358,829,900	349,907,373
Construction in progress	150,194,576	94,786,905	38,163,382	19,356,837	188,357,958	114,143,742
Lease assets	10,212	111,828	9,156	21,294	19,368	133,122
Subscription assets	1,964,273	3,606,176	459,682	616,721	2,423,955	4,222,897
Total	$ 686,145,653	$ 612,224,441	$ 309,346,158	$ 284,918,939	$ 995,491,811	$ 897,143,380

Capital Assets – Governmental Activities

Roadway expansion and improvements remain a primary element of the City's public works program. In 2025, several major arterial thoroughfares in the City were widened to provide access to Mansfield's developing retail centers. Mansfield has leveraged future tax revenue with general obligation bonds and anticipated the collection of roadway impact fees to pay for an expected $133,914,181 in new street improvements over the next four years.

Street projects in fiscal year 2025:

- The City completed the following roadway improvements during the fiscal year:
    - Harvest Point (Heritage Parkway, Lone Star Road, Eastern & Western Bridges)
    - Railroad Quiet Zones (Walnut Creek Drive, Broad Street, Eastern & Western Bridges)

  - Dick Price Road
- The City continued to improve Vinewood Drive and Heritage Parkway south of Lone Star Road and continues construction on the Staybolt Entertainment District infrastructure.
- Several small arterial streets are under construction and design throughout neighborhoods.
- In total, the City spent $27,316,782 on street improvements and related work during fiscal year 2025.

Building projects in fiscal year 2025:

- The City completed police headquarters during the fiscal year.
- The following facilities were in various stages of planning and construction during the fiscal year:
  - Fire station #1 relocation, city hall, animal control facility, service center expansion, multi-purpose sports venue
- The following public parks and facilities were in various stages of planning and construction during the fiscal year:
  - Geyer commons and canals
  - Southwest Community Park, Sports Park
  - Veterans' Memorial
- In total, the City spent $46,760,042 on building improvements and related work during fiscal year 2025.

Most of the capital assets that were added to construction in progress or the asset base of the City during fiscal year 2025 were planned or budgeted expenditures during fiscal year 2025. The City plans its asset expansion with deliberate budgetary control and oversight as these costs are substantial and have a significant effect on the operational cost and performance of the City.

Capital Assets – Business-type Activities

The City's municipally owned and operated Water & Sewer system has maintained its superior rating by the Texas Commission on Environmental Quality. The City has planned more than $54.2 million of water/sewer improvements over the next four years to be paid for by a combination of cash on hand, bonds, and impact fees. These fees are designed to reduce the system's initial costs in building and running Water & Sewer lines to the user. These impact fees must be used for capital purposes and are restricted as to use by law. Business-type capital assets increased approximately $24.4 million from the previous year. Current Water & Sewer major projects in progress include the US 287 Frontage Rd. utility relocation project and Holland Road increasing Water & Sewer capital assets by $23.3 million during the fiscal year. The City's drainage program had minimal improvements this year which were mostly related to the completion of improvements to systems detention basins. The City's drainage capital assets increased by $1.1 million during the fiscal year.

For additional information on the City's capital assets, see note II.C. of the basic financial statements.

Long-Term Debt

At the end of the current fiscal year, the primary government had total principal outstanding of $452,930,000. The governmental activities had $392,805,000 in total principal outstanding, and business-type activities had $60,125,000 in total principal outstanding.

The City's Component Unit, Mansfield Economic Development Corporation, MEDC, has $93,925,000 in outstanding debt backed by a voter passed sales tax.

At the end of the current fiscal year the City's total principal outstanding amounted to $546,855,000. Of this amount, $359,690,000 comprises debt backed by the U.S. government's full faith and credit. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

The following is a summary of the City and MEDC's outstanding debt for the fiscal year ended:

	Governmental Activities	Business-Type Activities	Component Unit MEDC	Total
Security Instrument:				
Tax obligation bonds	$ 359,690,000	$ -	$ -	$ 359,690,000
Sales tax revenue bonds	23,950,000	-	93,925,000	117,875,000
Revenue bonds	-	60,125,000	-	60,125,000
Special assessment revenue bonds	9,165,000	-	-	9,165,000
Total	$ 392,805,000	$ 60,125,000	$ 93,925,000	$ 546,855,000

The City's total debt, including MEDC, increased by $207,755,000 or 61.3% during the current fiscal year. Key factors for the increase was the issuance of five new bond series offset by refunding, cash defeasance and principal payments on existing outstanding debt. During the fiscal year, the City issued $240,835,000 in new bonds, defeased and refunded $16,300,000 in existing debt, and made $16,780,000 in regularly scheduled principal payments.

The City maintains bond ratings from three rating agencies:

Company	General Fund Bonds	Water and Sewer Revenue Bonds	Sales Tax Revenue Bonds	Drainage Revenue Bonds
Moody's	Aa1	Aa2	Aa1/Aa2	Aa2
Standard & Poor's	AAA	AA+	A+/AAA	Aa2
Fitch	AA+	AAA	AA+	AAA

For additional information on the City's debt obligations, see note II. F, of the basic financial statements.

The City Charter of the City and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 populations, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. The City operates under a Home Rule Charter, which also imposes a limit of $2.50.

The fiscal year 2025 Property Tax Rate was $0.645 per $100 valuation with a tax margin of $1.855 per $100 valuation based upon the maximum ad valorem tax rate noted above. Additional revenues up to $178,230,931, per year could be raised before reaching the maximum allowable tax base on the current year's appraised net taxable value of $11,840,063,744.

Economic Factors and Next Year's Budgets and Rates

The following variables were considered in preparing the City's budget for the 2026 fiscal year.

- Throughout the year, City management monitors development activity to ensure responsible stewardship of City resources. The City of Mansfield's economic climate remains strong, supported by improving state and national economic conditions. Strategic investments in infrastructure, rigorous development standards, and proactive economic development initiatives have fostered continued commercial and retail expansion. Residential development also remains active across the City, contributing to overall group.
- The City's annual growth in property valuation has increased 11.7% annually on average for the past ten years and includes a 16% homestead exemption that was put into effect in fiscal year 2025. For fiscal year 2026, the City's valuations are expected to increase 8.2%. Property valuations are expected to remain strong in fiscal 2026 and into 2027 due to residential growth. The City decreased its 2026 tax rate to $0.639 per $100 assessed valuation due to the City's emphasis on the importance of easing the tax burden for Mansfield residents while maintain essential

public services. The City is a good place to live as crime is low, school ratings are fairly high, land is affordable, and the City's proximity to Dallas and Fort Worth. The City is developing a discernible and identifiable character of being a place to enjoy a good quality life. These intangible characteristics developed recently - over the last decade. The City is also seeing the continued demand for commercial development because of the significant discretionary spending ability of its residents and the relatively stable economy within the City.

- Sales tax revenue is expected to increase with the new residential development and will grow annually. As with property valuations, the City has adjusted its projections of anticipated sales tax receipts in 2026 and 2027. The expected budgeted sales tax receipts in 2026 are anticipated to exceed budget collections of 2025 by 9.55%. Management is monitoring the collections of sales tax revenue and may modify projections depending upon the overall economy.
- Retail developments continue into 2026 and 2027. The City anticipates continued growth in retail spending activity, including a super studio and a multi-use sports venue, along with several other economic development projects will continue to attract retail and commercial development in the short and long term. Through the Mansfield Economic Development program, the City is constantly searching for new retail, commercial and industrial developments to grow its retail base. Development is expected to continue and new property valuations are expected from these developments.
- Median income continues to be an attractive asset for additional development and many in the development community are planning on capturing this income through commercial developments.
- The City has developed stringent building standards that require sustainable developments to assist in extending the asset life of the tax base into the future.
- Efforts have been made to revitalize the City's downtown. The area has suffered in past years from the lack of commerce and trade. The City has created a reinvestment zone to restore and generate new development in this area of the City. The City has purchased land and offered incentives to businesses for locating their new operations in the downtown area. The area is beginning to show signs of growth from the efforts and incentives.

The City's fiscal year 2026 General Fund operating revenue budget increased approximately 8.6% over budgeted revenues in fiscal year 2025. Most of this revenue growth is anticipated from new development in the City that generates additional property tax and sales tax revenue. Any additional appropriations made during fiscal year 2026 will be offset through the management of the operating expenditures of the General Fund during the course of the fiscal year.

Contacting The City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Mansfield, 1200 E. Broad Street, Mansfield, Texas 76063, or by phone at 817-276-4265.

MANSFIELD
TEXAS

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
September 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	MEDC
Assets				
Current Assets:				
Cash, cash equivalents and investments	$ 261,488,325	$ 27,455,644	$ 288,943,969	$ 68,961,096
Receivables (net of allowance for uncollectable)	11,327,108	6,781,022	18,108,130	843,357
Lease receivable	203,930	-	203,930	-
Public-private partnerships receivable	16,978,396	-	16,978,396	-
Inventory	-	1,609,085	1,609,085	-
Prepaids	11,126	-	11,126	-
Restricted assets:				
Cash, cash equivalents and investments	616,272	57,857,282	58,473,554	122,351
Assets acquired for sale	14,360,598	-	14,360,598	-
Total Current Assets	304,985,755	93,703,033	398,688,788	69,926,804
Noncurrent Assets:				
Capital assets (net of accumulated depreciation/amortization):				
Land	125,939,660	14,410,346	140,350,006	10,382,369
Construction in progress	150,194,576	38,163,382	188,357,958	40,074,038
Buildings and systems	95,635,515	163,690,873	259,326,388	554,969
Improvements other than buildings	22,980,103	1,135,064	24,115,167	15,362,642
Machinery and equipment	18,584,275	3,484,794	22,069,069	-
Infrastructure	270,837,039	87,992,861	358,829,900	-
Lease assets - equipment	10,212	9,156	19,368	-
Subscription assets	1,964,273	459,682	2,423,955	10,101
Total Noncurrent Assets	686,145,653	309,346,158	995,491,811	66,384,119
Total Assets	991,131,408	403,049,191	1,394,180,599	136,310,923
Deferred Outflows of Resources				
Deferred charges on refunding	210,261	1,462,335	1,672,596	-
Deferred outflows - pension	13,762,595	1,637,986	15,400,581	176,537
Deferred outflows - OPEB	3,849,450	458,151	4,307,601	49,378
Total Deferred Outflows of Resources	17,822,306	3,558,472	21,380,778	225,915

STATEMENT OF NET POSITION

September 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	MEDC
Liabilities				
Current Liabilities:				
Accounts payable	$ 21,974,659	$ 6,319,590	$ 28,294,249	$ 7,808,295
Accrued wages and benefits	2,930,347	267,082	3,197,429	23,862
Accrued liabilities	1,200,849	1,864,855	3,065,704	-
Accrued interest payable	2,490,331	500,400	2,990,731	692,550
Unearned revenue	1,024,150	12,917	1,037,067	-
Liabilities payable from restricted assets	3,381,431	1,423,331	4,804,762	1,669,486
Total Current Liabilities	33,001,767	10,388,175	43,389,942	10,194,193
Noncurrent Liabilities:				
Due within one year				
Compensated absences	5,538,441	536,439	6,074,880	24,472
Lease/SBITA liabilities	839,449	129,946	969,395	9,653
Bonds payable	14,025,000	4,590,000	18,615,000	1,110,000
Due in more than one year				
Compensated absences	7,885,925	749,685	8,635,610	114,717
Lease/SBITA liabilities	530,857	217,912	748,769	-
Bonds payable and premium/discount	410,430,414	62,939,872	473,370,286	95,055,266
Net pension liability	29,683,587	3,532,859	33,216,446	380,760
Net OPEB liability	15,580,243	1,854,318	17,434,561	199,852
Total OPEB liability - SDBF	1,161,874	138,283	1,300,157	14,904
Total Noncurrent Liabilities	485,675,790	74,689,314	560,365,104	96,909,624
Total Liabilities	518,677,557	85,077,489	603,755,046	107,103,817
Deferred Inflows of Resources				
Deferred gain on refunding	1,818,265	-	1,818,265	-
Deferred inflows from leases	185,060	3,512	188,572	-
Deferred Inflows from PPP	16,870,835	-	16,870,835	-
Deferred inflows - pension	2,709,515	322,479	3,031,994	34,756
Deferred inflows - OPEB	1,738,466	206,907	1,945,373	22,300
Total Deferred Inflows of Resources	23,322,141	532,898	23,855,039	57,056
Net Position				
Net investment in capital assets	431,563,296	288,374,479	719,937,775	16,074,572
Restricted	33,821,149	4,934,547	38,755,696	13,301,393
Unrestricted	1,569,571	27,688,250	29,257,821	-
Total Net Position	$ 466,954,016	$ 320,997,276	$ 787,951,292	$ 29,375,965

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	$ 53,405,519	$ 17,680,760	$ 6,023,917	$ -
Public safety	57,399,876	5,351,584	934,564	-
Public works	23,159,891	5,083,649	316,131	-
Culture and recreation	15,414,203	3,740,439	35,644	911,397
Interest on long-term debt	17,854,997	-	-	-
Total Governmental Activities	167,234,486	31,856,432	7,310,256	911,397
Business-Type Activities:				
Water	30,496,938	34,532,575	-	959,720
Sewer	12,421,017	18,954,283	-	-
Drainage	1,935,954	3,100,550	-	-
Total Business-Type Activities	44,853,909	56,587,408	-	959,720
Total Primary Government	$ 212,088,395	$ 88,443,840	$ 7,310,256	$ 1,871,117
Component Units:				
MEDC	$ 15,323,194	$ -	$ -	$ -
Total Component Units	$ 15,323,194	$ -	$ -	$ -

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	MEDC
Primary Government				
Governmental Activities:				
General government	$ (29,700,842)	$ -	$ (29,700,842)	$ -
Public safety	(51,113,728)	-	(51,113,728)	-
Public works	(17,760,111)	-	(17,760,111)	-
Culture and recreation	(10,726,723)	-	(10,726,723)	-
Interest on long-term debt	(17,854,997)	-	(17,854,997)	-
Total Governmental Activities	(127,156,401)	-	(127,156,401)	-
Business-Type Activities:				
Water	-	4,995,357	4,995,357	-
Sewer	-	6,533,266	6,533,266	-
Drainage	-	1,164,596	1,164,596	-
Total Business-Type Activities	-	12,693,219	12,693,219	-
Total Primary Government	$ (127,156,401)	$ 12,693,219	$ (114,463,182)	$ -
Component Units:				
MEDC	$ -	$ -	$ -	$ (15,323,194)
Total Component Units	$ -	$ -	$ -	$ (15,323,194)
General Revenues:				
Taxes:				
Property taxes	$ 85,810,225	$ -	$ 85,810,225	$ -
Sales taxes	29,769,057	-	29,769,057	9,976,595
Franchise taxes	4,545,041	-	4,545,041	-
Mixed drink taxes	366,293	-	366,293	-
Hotel/Motel taxes	1,147,738	-	1,147,738	-
Unrestricted investment earnings	11,620,586	4,229,954	15,850,540	2,800,483
Miscellaneous	866,203	206,653	1,072,856	41,482
Transfers	4,606,880	(4,606,880)	-	-
Total General Revenues	138,732,023	(170,273)	138,561,750	12,818,560
Change in net position	11,575,622	12,522,946	24,098,568	(2,504,634)
Net Position - Beginning, as Previously Reported	454,090,651	308,474,330	762,564,981	31,880,599
Restatement	1,287,743	-	1,287,743	-
Net Position - Beginning, as Restated	455,378,394	308,474,330	763,852,724	31,880,599
Net Position - End	$ 466,954,016	$ 320,997,276	$ 787,951,292	$ 29,375,965

CITY OF MANSFIELD, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2025

	General Fund	Debt Service Fund	Street Construction	Building Construction
Assets				
Cash and cash equivalents	$ 989,166	$ 6,091,952	$ 22,909,110	$ 4,409,250
Investments	8,859,464	578,363	48,226,409	110,943,122
Receivables, net of allowance:				
Property taxes	233,676	123,638	-	-
Sales taxes	2,475,050	-	-	-
Other taxes	-	-	-	-
Ambulance fees	1,684,356	-	-	-
Fines, fees and court costs	135,532	-	-	-
Developer agreements	3,964,238	-	-	-
Lease receivable	-	-	-	-
PPP receivable	-	-	-	-
Other receivables	687,985	-	-	-
Due from other funds	18,606,081	-	-	-
Prepaid items	11,126	-	-	-
Assets limited to use:				
Cash and cash equivalents	114,003	-	-	-
Assets acquired for sale	14,360,598	-	-	-
Total Assets	52,121,275	6,793,953	71,135,519	115,352,372
Liabilities				
Accounts payable	3,900,963	575	5,163,343	9,767,070
Accrued wages and benefits	2,818,993	-	7,110	-
Deposits and other liabilities	160,460	-	-	-
Due to other funds	-	-	-	1,773,788
Retainage payable	-	-	929,766	1,874,070
Unearned revenue	558,715	-	-	-
Total Liabilities	7,439,131	575	6,100,219	13,414,928
Deferred Inflows of Resources				
Unavailable revenue - property taxes	233,676	123,638	-	-
Unavailable revenue - mixed drink taxes	30,192	-	-	-
Unavailable revenue - ambulance fees	1,701,235	-	-	-
Unavailable revenue - courts	135,532	-	-	-
Unavailable revenue - grants	280,816	-	-	-
Unavailable revenue - proceeds from sale of capital assets	3,964,238	-	-	-
Deferred Inflows - leases	-	-	-	-
Deferred Inflows - PPP	-	-	-	-
Total Deferred Inflows of Resources	6,345,689	123,638	-	-
Fund Balance				
Nonspendable	14,371,724	-	-	-
Restricted	-	6,669,740	65,035,300	101,937,444
Committed	-	-	-	-
Unassigned	23,964,731	-	-	-
Total Fund Balance	38,336,455	6,669,740	65,035,300	101,937,444
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 52,121,275	$ 6,793,953	$ 71,135,519	$ 115,352,372

BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2025

	Mansfield Parks Facility Development Corporation	TIRZ #2	Non-major Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 16,138,742	$ -	$ 11,232,734	$ 61,770,954
Investments	8,754,306	-	21,923,035	199,284,699
Receivables, net of allowance:				
Property taxes	-	-	121,236	478,550
Sales taxes	-	-	-	2,475,050
Other taxes	-	-	130,349	130,349
Ambulance fees	-	-	-	1,684,356
Fines, fees and court costs	-	-	-	135,532
Developer agreements	-	429,583	-	4,393,821
Lease receivable	203,930	-	-	203,930
PPP receivable	16,978,396	-	-	16,978,396
Other receivables	1,090,740	-	250,725	2,029,450
Due from other funds	-	-	-	18,606,081
Prepaid items	-	-	-	11,126
Assets limited to use:				
Cash and cash equivalents	502,269	-	-	616,272
Assets acquired for sale	-	-	-	14,360,598
Total Assets	43,668,383	429,583	33,658,079	323,159,164
Liabilities				
Accounts payable	463,199	-	2,692,243	21,987,393
Accrued wages and benefits	98,826	-	5,418	2,930,347
Deposits and other liabilities	1,019,389	-	-	1,179,849
Due to other funds	4,005,645	8,185,622	4,641,026	18,606,081
Retainage payable	-	-	577,595	3,381,431
Unearned revenue	187,666	-	277,769	1,024,150
Total Liabilities	5,774,725	8,185,622	8,194,051	49,109,251
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	5,639	362,953
Unavailable revenue - mixed drink taxes	-	-	-	30,192
Unavailable revenue - ambulance fees	-	-	-	1,701,235
Unavailable revenue - courts	-	-	-	135,532
Unavailable revenue - grants	-	-	111,974	392,790
Unavailable revenue - proceeds from sale of capital assets	-	-	-	3,964,238
Deferred Inflows - leases	185,060	-	-	185,060
Deferred Inflows - PPP	16,870,835	-	-	16,870,835
Total Deferred Inflows of Resources	17,055,895	-	117,613	23,642,835
Fund Balance				
Nonspendable	-	-	-	14,371,724
Restricted	20,837,763	-	29,635,715	224,115,962
Committed	-	-	343,528	343,528
Unassigned	-	(7,756,039)	(4,632,828)	11,575,864
Total Fund Balance	20,837,763	(7,756,039)	25,346,415	250,407,078
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 43,668,383	$ 429,583	$ 33,658,079	$ 323,159,164

CITY OF MANSFIELD, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

September 30, 2025

Total Fund Balances - Governmental Funds	$	250,407,078
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		686,145,653
Long term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds, leases, and SBITAs		(394,175,306)
Unamortized premiums/discounts on bonds		(31,650,414)
Deferred gain on refunding		(1,818,265)
Deferred charges on refunding		210,261
Accrued compensated absences		(13,424,366)
Payables for bond interest which are not due in the current period are not reported in the funds but are included in the statement of net position.		(2,490,331)
Recognition of the City's proportionate share of the net pension asset is not reported in the funds.		(29,683,587)
Recognition of the City's proportionate share of the total OPEB liability is not reported in the funds.		(16,742,117)
Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Revenues that are unavailable to pay for current period expenditures and are deferred inflows in the governmental funds are recognized in the government wide statements.		
Property taxes and mixed beverage tax		393,145
Municipal court - fines and fees		135,532
Grants		392,790
Assets held for sale		3,964,238
Ambulance services		1,701,235
Deferred inflows of resources related to the pension and OPEB plans are not reported in the funds.		(4,447,981)
Deferred outflows of resources related to the pension and OPEB plans are not reported in the funds.		17,612,045
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		424,406
Total Net Position - Governmental Activities	$	466,954,016

CITY OF MANSFIELD, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	General Fund	Debt Service Fund	Street Construction	Building Construction
Revenues				
Taxes:				
Property	$ 51,523,178	$ 26,424,152	$ -	$ -
Sales	21,721,674	-	-	-
Franchise	4,545,041	-	-	-
Mixed drink	365,262	-	-	-
Hotel/motel	-	-	-	-
Licenses and permits	3,810,959	-	-	-
Charges for services	9,674,961	-	-	-
Fines and forfeitures	1,425,473	-	-	-
Investment earnings	928,329	327,830	2,877,915	5,035,635
Contributions and grants	1,038,333	-	-	-
Impact and developer fees	-	-	4,818,506	-
Miscellaneous	2,698,373	38,164	4,076,668	3,930
Total Revenues	97,731,583	26,790,146	11,773,089	5,039,565
Expenditures				
Current:				
General government	29,483,349	-	-	1,678,564
Public safety	52,212,479	-	-	250,179
Public works	7,816,888	-	71,581	-
Culture and recreation	5,672,086	-	-	14,606
Debt service:				
Principal retirement	858,091	15,775,000	-	-
Interest and fiscal charges	1,337,676	15,682,856	-	-
Bond issuance costs	33,231	181,881	281,732	843,247
Capital outlay	2,908,372	-	27,316,782	46,760,042
Total Expenditures	100,322,172	31,639,737	27,670,095	49,546,638
Excess (deficiency) of revenues over expenditures	(2,590,589)	(4,849,591)	(15,897,006)	(44,507,073)
Other Financing Sources (Uses)				
Issuance of bonds	3,633,211	14,246,046	30,802,630	91,622,418
Issuance of SBITAs	41,379	-	-	-
Premium/(Discount) on issuance of bonds	410,365	1,357,905	3,479,102	10,291,068
Payment to refunded bond escrow agent	-	(11,527,773)	-	-
Sale of general capital assets	847,467	-	-	-
Transfers in	-	-	-	117,826
Transfers out	(1,453,690)	-	-	-
Total Other Financing Sources (Uses)	3,478,732	4,076,178	34,281,732	102,031,312
Net change in fund balances	888,143	(773,413)	18,384,726	57,524,239
Fund Balances - Beginning of Year (As Previously Reported)	37,448,312	7,443,153	46,650,574	44,413,205
Change in major fund	-	-	-	-
Fund Balances - Beginning of Year (As Restated)	37,448,312	7,443,153	46,650,574	44,413,205
Fund balances - End of Year	$ 38,336,455	$ 6,669,740	$ 65,035,300	$ 101,937,444

See notes to the financial statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Mansfield Parks Facility Development Corporation	TIRZ #2	Non-major Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Property	$ -	$ 1,312,342	$ 7,481,609	$ 86,741,281
Sales	8,040,920	-	2,803,405	32,565,999
Franchise	-	-	-	4,545,041
Mixed drink	-	-	-	365,262
Hotel/motel	-	-	1,147,738	1,147,738
Licenses and permits	-	-	-	3,810,959
Charges for services	2,021,856	-	135,605	11,832,422
Fines and forfeitures	-	-	39,931	1,465,404
Investment earnings	1,444,667	-	1,006,210	11,620,586
Contributions and grants	67,371	-	6,254,453	7,360,157
Impact and developer fees	1,622,400	-	-	6,440,906
Miscellaneous	104,834	21,000	183,603	7,126,572
Total Revenues	13,302,048	1,333,342	19,052,554	175,022,327
Expenditures				
Current:				
General government	-	1,895,842	12,773,485	45,831,240
Public safety	-	-	336,213	52,798,871
Public works	-	-	-	7,888,469
Culture and recreation	6,686,266	-	6,983	12,379,941
Debt service:				
Principal retirement	6,527	-	1,735,000	18,374,618
Interest and fiscal charges	70,776	-	1,833,845	18,925,153
Bond issuance costs	-	-	819,268	2,159,359
Capital outlay	848,101	1,732,933	19,611,131	99,177,361
Total Expenditures	7,611,670	3,628,775	37,115,925	257,535,012
Excess (deficiency) of revenues over expenditures	5,690,378	(2,295,433)	(18,063,371)	(82,512,685)
Other Financing Sources (Uses)				
Issuance of bonds	-	-	21,435,695	161,740,000
Issuance of SBITAs	-	-	-	41,379
Premium/(Discount) on issuance of bonds	-	-	1,333,405	16,871,845
Payment to refunded bond escrow agent	-	-	-	(11,527,773)
Sale of general capital assets	24,603	-	117,079	989,149
Transfers in	721,823	-	5,957,297	6,796,946
Transfers out	-	-	(736,376)	(2,190,066)
Total Other Financing Sources (Uses)	746,426	-	28,107,100	172,721,480
Net change in fund balances	6,436,804	(2,295,433)	10,043,729	90,208,795
Fund Balances - Beginning of Year (As Previously Reported)	14,400,959	-	9,842,080	160,198,283
Change in major fund	-	(5,460,606)	5,460,606	-
Fund Balances - Beginning of Year (As Restated)	14,400,959	(5,460,606)	15,302,686	160,198,283
Fund balances - End of Year	$ 20,837,763	$ (7,756,039)	$ 25,346,415	$ 250,407,078

CITY OF MANSFIELD, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 90,208,795
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
Capital outlay	99,177,361
Capital contributions	911,397
Depreciation expense	(25,275,858)
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the resulting gain or loss on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.	(534,607)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(2,719,645)
Governmental funds report repayment of debt principal as an expenditure and proceeds of new debt as a financing source. However, in the Statement of Activities, these transactions are only considered changes in long-term debt balances.	
Principal on bonds repaid in the current year	17,510,000
Principal on leases/SBITAs in the current year	864,618
Proceeds from the issuance of debt	(161,740,000)
Proceeds from issuance of SBITAs	(41,379)
Premium/Discount on issuance of bonds	(16,871,845)
Payments to escrow for refunded bonds	11,527,773
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Compensated absences	636,876
Accrued interest	(123,179)
Amortization of premium/discount on bonds and deferred gain/loss on refundings	1,203,187
Pension and OPEB expense	(2,294,535)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities (exclusive of capital assets and debt).	(863,337)
Change in Net Position of Governmental Activities	$ 11,575,622

CITY OF MANSFIELD, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Drainage Fund	Total Enterprise	Group Health Insurance
Assets				
Current Assets:				
Cash, cash equivalents, and investments	$ 20,394,574	$ 7,061,070	$ 27,455,644	$ 432,672
Accounts receivable, (net of allowance for uncollectable)	6,407,319	373,703	6,781,022	-
Inventories	1,609,085	-	1,609,085	-
Restricted cash and cash equivalents	57,855,834	1,448	57,857,282	-
Total Current Assets	86,266,812	7,436,221	93,703,033	432,672
Noncurrent Assets:				
Capital Assets - Net:				
Land	12,143,021	2,267,325	14,410,346	-
Construction in progress	37,319,900	843,482	38,163,382	-
Buildings, systems, and infrastructure	245,741,210	5,942,524	251,683,734	-
Improvements other than buildings	323,318	811,746	1,135,064	-
Machinery and equipment	3,090,186	394,608	3,484,794	-
Lease assets	9,156	-	9,156	-
Subscription asset	420,423	39,259	459,682	-
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	299,047,214	10,298,944	309,346,158	-
Total Noncurrent Assets	299,047,214	10,298,944	309,346,158	-
Total Assets	385,314,026	17,735,165	403,049,191	432,672
Deferred Outflows of Resources				
Deferred outflows - pension	1,452,622	185,364	1,637,986	-
Deferred outflows - OPEB	407,790	50,361	458,151	-
Deferred loss on refunding	1,462,335	-	1,462,335	-
Total Deferred Outflows of Resources	3,322,747	235,725	3,558,472	-

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Drainage Fund	Total Enterprise	Group Health Insurance
Liabilities				
Current Liabilities:				
Accounts payable	$ 6,085,688	$ 233,902	$ 6,319,590	$ 8,266
Accrued wages and benefits	242,648	24,434	267,082	-
Compensated absences	484,082	52,357	536,439	-
Customer deposits payable	1,864,855	-	1,864,855	-
Retainage payable	1,388,583	34,748	1,423,331	-
Accrued interest payable	496,394	4,006	500,400	-
Bonds payable - current	4,440,000	150,000	4,590,000	-
Lease liability	3,784	-	3,784	-
SBITA liability	117,800	8,362	126,162	-
Unearned revenue	12,917	-	12,917	-
Total Current Liabilities	15,136,751	507,809	15,644,560	8,266
Noncurrent Liabilities:				
Compensated absences	583,959	165,726	749,685	-
Bonds payable	62,786,313	153,559	62,939,872	-
Lease liability	5,840	-	5,840	-
SBITA liability	193,035	19,037	212,072	-
Net pension liability	3,140,909	391,950	3,532,859	-
Net OPEB liability	1,650,343	203,975	1,854,318	-
Total OPEB liability - SDBF	123,072	15,211	138,283	-
Total Noncurrent Liabilities	68,483,471	949,458	69,432,929	-
Total Liabilities	83,620,222	1,457,267	85,077,489	8,266
Deferred Inflows of Resources				
Deferred inflows - pension	286,965	35,514	322,479	-
Deferred inflows - OPEB	184,158	22,749	206,907	-
Deferred inflows - leases	3,512	-	3,512	-
Total Deferred Inflows of Resources	474,635	58,263	532,898	-
Net Position				
Net investment in capital assets	278,441,241	9,933,238	288,374,479	-
Restricted:				
Debt service	4,933,099	1,448	4,934,547	-
Unrestricted	21,167,576	6,520,674	27,688,250	424,406
Total Net Position	$ 304,541,916	$ 16,455,360	$ 320,997,276	$ 424,406

See notes to the financial statements.

CITY OF MANSFIELD, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Drainage Fund	Total Enterprise	Group Health Insurance
Operating Revenues				
Charges for services:				
Water sales	$ 29,712,115	$ -	$ 29,712,115	$ -
Sewer charges	18,954,283	-	18,954,283	-
Drainage fees	-	3,100,550	3,100,550	-
Impact fees	4,820,460	-	4,820,460	-
Contributions	-	-	-	18,502,443
Miscellaneous revenues	193,507	8,839	202,346	1,068,085
Total Operating Revenues	53,680,365	3,109,389	56,789,754	19,570,528
Operating Expenses				
Costs of sales and services	30,672,087	1,490,797	32,162,884	-
Personnel services	894,282	173,093	1,067,375	-
Other operating expenses	57,031	-	57,031	752
Insurance premiums paid	-	-	-	20,451,010
Depreciation/amortization	7,285,072	241,443	7,526,515	-
Total Operating Expenses	38,908,472	1,905,333	40,813,805	20,451,762
Operating Income	14,771,893	1,204,056	15,975,949	(881,234)
Nonoperating Revenues (Expenses)				
Investment earnings	4,009,430	220,524	4,229,954	17,897
Proceeds from sale of assets	4,307	-	4,307	-
Interest and fiscal charges	(4,009,483)	(30,621)	(4,040,104)	-
Total Nonoperating Revenues (Expenses)	4,254	189,903	194,157	17,897
Income (Loss) before transfers and contributions	14,776,147	1,393,959	16,170,106	(863,337)
Transfers and Contributions				
Capital contributions	959,720	-	959,720	-
Transfers in	-	74,618	74,618	-
Transfers out	(4,681,498)	-	(4,681,498)	-
Total Transfers and Contributions - Net	(3,721,778)	74,618	(3,647,160)	-
Change in net position	11,054,369	1,468,577	12,522,946	(863,337)
Net Position - Beginning of Year, as Previously Stated	293,487,547	14,986,783	308,474,330	-
Restatement	-	-	-	1,287,743
Net Position - Beginning of Year, as Restated	293,487,547	14,986,783	308,474,330	1,287,743
Net Position - End of Year	$ 304,541,916	$ 16,455,360	$ 320,997,276	$ 424,406

See notes to the financial statements.

CITY OF MANSFIELD, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended September 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Drainage Fund	Total	Group Health Insurance
Cash Flows From Operating Activities:				
Cash received from user charges	$ 55,359,119	$ 3,216,225	$ 58,575,344	$ 19,570,528
Other operating revenue	193,507	8,839	202,346	-
Payments to suppliers	(27,554,991)	(1,223,403)	(28,778,394)	-
Payments to employees	(849,936)	(120,618)	(970,554)	-
Payments for insurance premiums	-	-	-	(20,453,285)
Net Cash Provided By (Used In) Operating Activities	27,147,699	1,881,043	29,028,742	(882,757)
Cash Flows From Noncapital Financing Activities:				
Transfers from other funds	-	74,618	74,618	-
Transfers to other funds	(4,681,498)	-	(4,681,498)	-
Net Cash Provided By (Used In) Noncapital Financing Activities	(4,681,498)	74,618	(4,606,880)	-
Cash flows From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(30,599,477)	(1,354,257)	(31,953,734)	-
Capital contribution	959,720	-	959,720	-
Principal paid on debt, leases, & SBITAs	(3,787,301)	(151,574)	(3,938,875)	-
Interest and fees paid on long-term debt	(4,442,787)	(32,467)	(4,475,254)	-
Proceeds from sale of capital assets	4,307	-	4,307	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	(37,865,538)	(1,538,298)	(39,403,836)	-
Cash Flows From Investing Activities:				
Interest and dividends received	4,009,430	220,524	4,229,954	17,897
Net Cash Provided By Investing Activities	4,009,430	220,524	4,229,954	17,897
Net change in cash and cash equivalents	(11,389,907)	637,887	(10,752,020)	(864,860)
Cash and Cash Equivalents, Beginning of Year	89,640,315	6,424,631	96,064,946	1,297,532
Cash and Cash Equivalents, End of Year	78,250,408	$ 7,062,518	$ 85,312,926	$ 432,672
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Operating income (loss)	$ 14,771,893	$ 1,204,056	$ 15,975,949	$ (881,234)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Depreciation/amortization expense	7,285,072	241,443	7,526,515	-
(Increase) decrease in accounts receivable	1,751,446	115,675	1,867,121	-
(Increase) decrease in inventories	(419,888)	-	(419,888)	-
(Increase) decrease in deferred outflows of resources	745,710	33,227	778,937	-
Increase (decrease) in accounts payable	2,801,606	237,772	3,039,378	(1,523)
Increase (decrease) in accrued wages payable	73,970	6,087	80,057	-
Increase (decrease) in compensated absences	(124,892)	35,181	(89,711)	-
Increase (decrease) in customer deposits	120,815	-	120,815	-
Increase (decrease) in retainage payable	792,409	29,622	822,031	-
Increase (decrease) in net pension liability	(547,182)	(2,475)	(549,657)	-
Increase (decrease) in net OPEB liability	(438,477)	(67,590)	(506,067)	-
Increase (decrease) in total OPEB liability	(3,664)	1,666	(1,998)	-
Increase (decrease) in deferred inflows of resources	338,881	46,379	385,260	-
Total Adjustments	12,375,806	676,987	13,052,793	(1,523)
Net Cash Provided By (Used In) Operating Activities	$ 27,147,699	$ 1,881,043	$ 29,028,742	$ (882,757)

See notes to the financial statements.

CITY OF MANSFIELD, TEXAS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2025

	Retiree Health Insurance OPEB Trust
Assets	
Cash, cash equivalents, and investments	$ 29,500,055
Interest receivable	2,862
Total Assets	$ 29,502,917
Net Position	
Restricted for:	
Other post employment benefits	$ 29,502,917
Total Net Position	$ 29,502,917

CITY OF MANSFIELD, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Year June 30, 2025

	Retiree Health Insurance OPEB Trust
Additions	
Contributions	$ 1,000,000
Investment earnings:	
Interest	44,365
Dividends	881,934
Net increase (decrease) in fair value of investments	2,333,277
Net increase (decrease) in interest receivable	(7,151)
Total Additions	4,252,425
Deductions	
Administrative expenses	2,337,481
Total Deductions	2,337,481
Net increase in Fiduciary Net Position	1,914,944
Net Position, Beginning of Year	27,587,973
Net Position - Ending	$ 29,502,917

MANSFIELD
TEXAS

I. Summary of Significant Accounting Policies

The financial statements of the City of Mansfield, Texas (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City are described herein.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member Council. As required by GAAP, these financial statements present the City and its component units, for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations, and data from these units are combined with data from the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Units

The City has the following blended component units which do not issue separate financial statements.

Mansfield Park Facilities Development Corporation (MPFDC) - The MPFDC board of directors is appointed by the City Council, and the City management maintains significant continuing management responsibility with respect to MPFDC policies. Additionally, the City is ultimately responsible for MPFDC fiscal matters. The MPFDC provides services exclusively to the City (i.e., the MPFDC constructs capital assets on behalf of the City). The MPFDC does not issue separate financial statements and the MPFDC is included in the governmental funds.

Mansfield Public Facility Corporation - The MPFC board of directors is comprised of the Mayor and the City Council. The purpose of the MPFC is to assist the City in financing, refinancing, or providing public facilities. The City is ultimately responsible for MPFC fiscal matters and the MPFC provides services exclusively to the City. The MPFC does not issue separate financial statements and is included in the governmental funds.

Mansfield Tax Increment Financing Reinvestment Zone Number One (TIRZ #1) - The City and the City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of the TIRZ #1. The TIRZ #1 board of directors is a seven-member board; four members of the board of directors are members of the City's Council with the remaining three board members appointed by the participating entities of the TIRZ #1 unless the participating entity waives its right to board membership, which at such time the City may appoint a member in its stead. Two Counties, Tarrant, and Ellis County, participate in the City's TIRZ #1 as it is a 3,100-acre tract of land that is in three Counties. The TIRZ #1 does not issue separate financial statements, as the TIRZ #1 is included as a major fund of the City. The TIRZ #1 was established in December 2006 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #1, which are owned and maintained by the City.

Mansfield Tax Increment Financing Reinvestment Zone Number Two (TIRZ #2) – The City and the City's management maintain significant influence and responsibility in the approval of programs, expenditures, and obligations of the TIRZ #2. The TIRZ #2 board of directors is a five-member board; four members of the board of directors are members of the City's Council with the remaining board member appointed by Tarrant County, the other participating entity. This TIRZ #2 was established to revitalize the City's Historic Downtown area, which includes 317 developed acres. The TIRZ #2 does not issue separate financial statements, as the TIRZ #2 is included as a major fund of the City. The TIRZ #2 was established in December 2012 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #2, which will be owned and maintained by the City.

I. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

Blended Component Units (continued)

Mansfield Tax Increment Financing Reinvestment Zone Number Three (TIRZ #3) – The City and the City's management maintain significant influence and responsibility in the approval of programs, expenditures, and obligations of the TIRZ #3. The TIRZ #3 board of directors is an eight-member board; seven members of the board of directors are members of the City's Council with the remaining board member appointed by Tarrant County, the other participating entity. This TIRZ #2 was established to revitalize the City's Starlin Ranch area, which includes 121 acres. The TIRZ #2 does not issue separate financial statements, as the TIRZ #2 is included as a non-major fund of the City. The TIRZ #3 was established in October 2022 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #2, which will be owned and maintained by the City.

Mansfield Tax Increment Financing Reinvestment Zone Number Four (TIRZ #4) – The City and the City's management maintain significant influence and responsibility in the approval of programs, expenditures, and obligations of the TIRZ #4. The TIRZ #4 board of directors is a seven-member board consisting entirely of the City's Council. This TIRZ #4 was established to develop the area east of SH 360, which includes 359 acres. The TIRZ #4 does not issue separate financial statements, as the TIRZ #4 is included as a non-major fund of the City. The TIRZ #4 was established in December 2022 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #4, which will be owned and maintained by the City.

South Pointe Public Improvement District – The City established a public improvement district for the purpose of maintaining public improvements on approximately 873 acres in the TIRZ number one area. An annual assessment will fund the public improvement district.

Starlin Ranch Public Improvement District - The City established a public improvement district for the purpose of maintaining public improvements on approximately 121.5 acres in the TIRZ number three area. An annual assessment will fund the public improvement district.

Staybolt Public Improvement District – The City established a public improvement district for the purpose of maintaining public improvements on approximately 134.3 acres. An annual assessment will fund the public improvement district.

Discretely Presented Component Unit

Mansfield Economic Development Corporation (MEDC) – In 1997, the voters passed an additional 1/2 cent sales tax to fund an aggressive economic development program and provide financial incentives, infrastructure needs, and tax relief in the recruitment and retention of industry. Although the City Council appoints all board members, none of the board members are currently City Council members or City employees. In addition, City management maintains significant continuing management responsibility with respect to MEDC financial matters. Although the MEDC financial matters are ratified or denied by the City, the City is not legally entitled to the MEDC resources or is it legally obligated for the indebtedness of the MEDC. The MEDC provides financial incentives to business and industry as permitted by statute and does not provide services entirely or almost entirely to the City and does not issue separate financial statements.

Fiduciary Fund

Retiree Health Insurance OPEB Trust - In 2007 the City opened an irrevocable trust with Public Agency Retirement Services (PARS) acting as the plan administrator and US Bank serving as the custodial bank to manage the plan's assets. The purpose of the irrevocable trust is to accumulate resources to pay for future medical costs of the retirees of the City. The Retiree Health Insurance OPEB Trust is a fiduciary component unit of the City and therefore OPEB trust fund financial information is also included in the ACFR for the City.

I. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the governmentwide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's Water & Sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The previous reporting model emphasized fund types (the total of all funds of a particular type); in the reporting model as defined by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the focus is either the City as a whole or major individual fund (within the fund financial statements).

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Police, Fire, Public Works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, interest income, etc.).

Separate fund-based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, street construction fund, building construction fund, TIRZ #2, and Mansfield Parks Facility Development Corporation fund. The major enterprise fund is the Water & Sewer fund, and the nonmajor enterprise fund is the Drainage fund. The internal service fund accounts for the City's group health insurance. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and enterprise combined) for the termination of major funds along with other qualitative factors. The non-major governmental funds are combined in a separate column in the fund financial statements. The non-major governmental funds are detailed in the combining section of the statements.

The City's fiduciary fund is presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary fund (by category) and the discretely presented component unit. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are presented using the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers ad valorem tax, sales tax, hotel/motel tax, mixed drink tax, franchise tax, and investment earnings to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, pension and other postemployment benefit obligations, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and will be paid shortly after year-end (not to exceed one month).

Licenses and permits, charges for services, fines, contributions and donations, impact fees, and miscellaneous revenues are recorded as revenues when received in cash, as the amounts are typically not known until received. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, as soon as all eligibility requirements have been met, moneys must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, moneys are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if all eligibility requirements are met. Funds received in advance for which all eligibility requirements have not been met are considered unearned revenue.

A portion of the City's revenues are derived from developer contributions. Developer's contributions are recorded as non-operating revenue in the Water & Sewer fund financial statements. These amounts represent revenues from non-exchange transactions during the fiscal year. For reporting non-exchange transactions for the governmental activities, in the government-wide financial statements on the accrual basis of accounting, the revenues are recorded as capital contributions program revenue.

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water & Sewer Fund, and Drainage Fund are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. The principal operating revenues of the City's internal service fund consists primarily of employer and employee contributions. Fund expenditures include claims paid, administrative fees, and stop-loss premiums. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

The government reports the following major governmental funds:

The General Fund is the operating fund of the City. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The General Obligation Debt Service Fund (Debt Service) is used to account for the accumulation of resources for and the payment of principal and interest on general long-term obligation debt. The primary source of revenue is ad valorem taxes, which are levied by the City.

The Street Construction Fund accounts for the financial resources to be used in the construction of roadways and bridges. The Fund is financed from general obligation bond proceeds, certificates of obligation proceeds, impact fees, developer contributions, or other sources.

The Building Construction Fund is used to account for the financial resources used in the construction of general governmental buildings and facilities.

The Mansfield Parks Facility Development Corporation Fund is used to account for the half-cent sales tax, approved by the voters, for parks land acquisition.

TIRZ #2 is used to account for the financing and cost related to revitalization of historic downtown within Mansfield Tax Increment Financing Zone Number Two.

The other governmental funds column is a summarization of all the non-major governmental fund types.

The government reports the following major enterprise fund:

The Water & Sewer Fund accounts for the operation of the City's Water & Sewer system. Activities of the Fund include administration, operation, and maintenance of the Water & Sewer system and billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for general obligation, and revenue bonds. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the Fund.

The government reports the following nonmajor enterprise fund:

The Drainage Fund accounts for the operation of the City's drainage system. Activities of the Fund include administration, operation, and maintenance of the drainage system. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.

Additionally, the government reports the following internal service fund:

The City utilizes an Internal Service Fund to account for the financial activity of its group health insurance program. The fund is used to accumulate and allocate costs associated with providing medical, dental, and related coverage to City employees and eligible dependents. Revenues consist primarily of employer and employee contributions, which are determined based on actuarial estimates of expect claims, administrative costs, and stop-loss insurance premium. Fund expenses include claims plaid, administrative fees, and stop-loss premiums. This fund allows for the centralized and equitable allocation of health insurance costs to operating departments based on staffing levels and participation.

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Additionally, the government reports the following fiduciary fund type:

The other postemployment benefit trust fund is used to report assets held for beneficiaries to fund future postemployment benefits other than pensions. The City utilizes a trust to hold required contributions for other postemployment benefits. Plan trustee must act in accordance with the specific purpose and terms of the OPEB plan. The accompanying statement of fiduciary net position and statement of changes in fiduciary net position are presented as of and for the year ended June 30, 2025, the Plan's year-end in accordance with GASB Statement No. 74.

D. Assets, Liabilities, and Net Position

1. Deposits and Investments:

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with original maturities of three months or less from the end of the fiscal year.

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the balance sheet or statement of net position as "Cash, Cash Equivalents, and Investments" under each fund's caption. Except for bond-related and other restricted transactions, the City conducted all its banking and investment transactions with one financial institution.

For fiscal year 2025, the City invested in investment pools as authorized by the City's investment policy. The City records interest revenue earned from investment activities in each respective fund and recognizes its investments on a fair value basis, which is based on quoted market prices.

2. Inventory:

Inventory consists primarily of supplies, valued at cost. Cost is determined using the weighted average method. Inventory is charged to the user departments and recorded as expenses/expenditures when consumed rather than when purchased. The non-spendable portion of the fund balance is provided equal to the amount of inventory, as the amount is not available for expenditure.

3. Prepaid Items:

Payments made to vendors for services that will benefit future periods are recorded as prepaid items. These payments are recognized under the consumption method.

4. Assets Acquired for Sale:

Land that has been acquired for the purpose of selling for future development rather than for governmental use has been record as assets acquired for sale.

5. Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), lease assets, and subscription assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position (continued)

5. Capital Assets: (continued)

Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, while improvements and betterments are capitalized.

Depreciation/amortization has been calculated on each class of depreciable/amortizable property using the straight-line method. Estimated useful lives are as follows:

Asset Category	Useful Life
Buildings and improvements	50 years
Water and Sewer Lines	50 years
Vehicles, Machinery, and Equipment	4-10 years
Infrastructure	25 years
Leases	2-50 years
Subscription Based Information Technology Arrangements	2-7 years

6. Leases:

Leases are defined by the general government as the right to use an underlying asset. As lessee, the City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Lease assets are measured based on the net present value of the future lease payments at inception using multiple, publicly available data points from across the municipal bond market and the City's bond ratings to generate a consensus view of municipal bond yields and spreads on a quarterly basis, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The City calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculation but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the City recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflows of resources at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of the lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position (continued)

7. Subscription-Based Information Technology Arrangement (SBITA):

Subscription-Based Information Technology Arrangement (SBITA) are defined by the general government as the right to use an underlying asset. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) at the beginning of a subscription unless the subscription is considered a short-term subscription or transfers ownership of the underlying asset. Subscription assets are measured based on the net present value of the future subscription payments at inception using multiple, publicly available data points from across the municipal bond market and the City's bond ratings to generate a consensus view of municipal bond yields and spreads on a quarterly basis, which approximate the incremental borrowing rate. Remeasurement of a subscription liability occurs when there is a change in the subscription term and/or other changes that are likely to have a significant impact on the subscription liability.

The City calculates the amortization of the discount on the subscription liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the subscription liability. Variable subscription payments based on the usage of the underlying assets are not included in the subscription liability calculation but are recognized as outflows of resources in the period in which the obligation was incurred.

8. Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements:

PPP is an arrangement in which the City (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (PPP asset), for a period of time in an exchange or exchange-like transaction.

As transferor, the City recognizes a PPP receivable. The PPP receivable is measured using the net present value of future PPP payments to be received for the PPP term and deferred inflows of resources at the beginning of the PPP term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the arrangement. This recognition does not apply to short-term arrangements, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of the PPP receivables occur when there are modifications, including but not limited to changes in the contract price, PPP term, and adding or removing an underlying asset to the PPP agreements. In the case of a partial or full PPP termination, the carrying value of the PPP receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

9. Unearned Revenue:

Governmental funds report a liability, unearned revenue, in connection with resources that have been received, but not yet earned, which consists primarily of grant dollars received in advance of incurring eligible expenditures.

10. Deferred Outflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the appropriate future period. The City has five items that qualify for this category. Deferred pension/OPEB contributions relate to contributions made by the City after the measurement date so they are deferred and recognized in the upcoming fiscal year. Deferred actuarial experience is the difference in the expected and actual pension and OPEB experience. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position (continued)

10. Deferred Outflows of Resources: (continued)

Deferred assumption changes are differences arising from a change in actuarial assumptions and are deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred investment losses is the difference in the projected and actual earnings on the pension/OPEB assets. This difference is deferred and amortized over a closed five-year period. Deferred loss on refunding are the differences in carrying value of the refunded debt compared to its acquisition price. This difference is deferred and amortized over the remaining life of the refunded debt or new debt, whichever is shorter.

11. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the respective retirement plan and additions to/deductions from the respective Fiduciary Net Position have been determined on the same basis as they are reported by the respective pension plan. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability that pertains to the governmental activities will be liquidated mainly by the General Fund with the rest being liquidated by the MPFDC.

12. Other Postemployment Benefits (OPEB):

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Retiree Health Insurance OPEB Trust and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Trust. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. The other post-employment benefit liabilities that pertain to the governmental activities will be liquidated mainly by the General Fund with the rest being liquidated by the MPFDC.

13. Supplemental Death Benefits Fund (SDBF):

For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, City specific information about its total OPEB liability in the TMRS Supplemental Death Benefits Fund (SDBF) and retiree health insurance and additions to/deductions from the City's total OPEB liability have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Information regarding the City's SDBF Total OPEB Liability is obtained through TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position (continued)

14. Deferred Inflows of Resources:

Deferred inflows of resources represent an acquisition of net assets that applies to future periods by the City that are applicable to future reporting periods. The City has five items that qualify for this category. Deferred assumption changes are differences arising from a change in actuarial assumptions and are deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred actuarial experience is the difference in the expected and actual pension and OPEB experience. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred gain on refunding are the differences in carrying value of the refunded debt compared to its acquisition price. This difference is deferred and amortized over the remaining life of the refunded debt or new debt, whichever is shorter. Deferred inflows from leases is calculated as the lease receivable plus any payments made at or prior to the commencement of the lease, it continues to be recognized as revenue over the life of the lease. Deferred inflows from PPP is calculated as the PPP receivable plus any payments made at or prior to the commencement of the PPP, it continues to be recognized as revenue over the life of the PPP. Unavailable revenue is only reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

15. Compensated Absences:

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. No liability is recorded for non-vesting, accumulating rights to receive sick pay benefits. Vacation is earned in varying amounts up to a maximum of fifteen (15) days for employees with ten (10) or more years of service. Unused vacation leave is carried forward from one year to the next without limit with regards to years of service. The liability for compensated absences includes salary-related benefits.

16. Property Tax:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent on February 1 of the following year. The City contracts with Tarrant County to bill and collect its property taxes. Property tax revenues are recognized when they are both measurable and available. Revenues are considered both measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period.

17. Sales Tax:

The City levies a 2% local sales tax in addition to the statewide sales tax rate of 6.25%. Sales tax revenues are recognized when they are both measurable and available. Revenues are considered both measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position (continued)

18. Long-Term Obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Net pension liability is the liability of employer contributions to plan members for benefits provided through a defined benefit plan. Net OPEB/Total OPEB - Supplemental Death Benefits Fund (SDBF) liabilities are the liabilities of postemployment benefits provided to employees separately from a pension plan. Net OPEB liabilities are funded through an irrevocable trust while Total OPEB - SDBF liabilities are not.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

As a home rule city, the City of Mansfield is not limited by the law in the amount of debt it may issue. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

19. Restricted Assets:

Certain proceeds of Proprietary Fund Revenue Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

20. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Final settlement amounts could differ from those estimates.

21. Fund Balance Classification:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to classify the fund balances.

Committed fund balances are amounts that can only be used for specific purposes with constraints imposed by formal action of the City Council and do not lapse at year-end. This formal action consists of a written ordinance voted and approved by a majority of the City Council. For assigned fund balance classification, the City Manager, or designee is authorized to assign amounts for a specific purpose as permitted by Section 9.12 of the City Charter. The City Manager has designated the Deputy City Manager to assign fund balance. The restricted fund balance classification includes amounts that have constraints that are externally imposed (creditors, grantors, etc.) or imposed by enabling legislation. The non-spendable classification includes amounts that are not in spendable form or required to be maintained intact. The unassigned fund balance classification represents fund balance that has not been classified to another category.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position (continued)

21. Fund Balance Classification: (continued)

The City considers an amount spent when the expenditure is incurred when restricted or unrestricted fund balances are available. In addition, the City considers an amount spent when the expenditure is incurred for purposes for which an amount in the committed, assigned, or unassigned amounts could be used. The City considers expenditures to be made from the most restrictive resources/funds when more than one classification is available.

The City has a minimum General Fund balance policy requirement. This policy established by resolution of the Council requires the General Fund unassigned fund balance to be 25% of the ensuing fiscal year's General Fund operating budget.

The deficit fund balance of Starlin PID is included in other governmental funds and will be satisfied with future Starlin PID fund revenues or a subsidy from the General Fund. The deficit fund balance in TIRZ #2 is a major governmental fund and will be satisfied with future property tax. The deficit fund balances of TIRZ #3 and TIRZ #4 are included in other governmental funds and will be satisfied with future property tax. The deficit fund balance of the Grants Fund is included in other governmental funds and will be satisfied once grant revenues are received.

22. Net Position:

Net position is classified and displayed in three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets – Consists of capital assets including restricted capital assets, lease assets, and subscription assets net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is excluded from the calculation of net investment in capital assets.

Restricted – Consists of assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. When an expense is incurred for purposes for which there are both restricted and unrestricted assets available, it is the City's policy to apply those expenses to restricted assets, to the extent such are available, and then to unrestricted assets.

Unrestricted – All other assets that constitute the components of net position that do not meet the definition of "restricted" or "investment in capital assets."

E. Risk Disclosures – Concentrations and Constraints

In accordance with GASB Statement No. 102, *Certain Risk Disclosures*, the City evaluates whether it has vulnerabilities due to concentrations or constraints that could make it susceptible to a substantial impact. A *concentration* is defined as a lack of diversity related to an aspect of a significant inflow or outflow of resources, such as reliance on a single revenue source or vendor. A *constraint* is a limitation imposed by an external party or by formal action of the government's highest level of decision-making authority, such as statutory spending caps or debt limits. The City assesses whether the concentration or constraint is known prior to issuance of the financial statements, whether it makes the City vulnerable to a substantial impact, and whether an event associated with the concentration or constraint has occurred, begun to occur, or is more likely than not to occur within 12 months of the issuance date. If all three criteria are met, the City discloses in the notes the nature of the concentration or constraint, the event or events that could cause a substantial impact, and the actions taken to mitigate the risk prior to issuance. If mitigating actions eliminate these conditions before issuance, disclosure is not required. The City had no concentrations or constraints meeting the requirements for disclosure.

I. Summary of Significant Accounting Policies (continued)

F. Adoption of New Accounting Standards

In June 2022, the GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences, aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2024, and all reporting periods thereafter. The remaining requirements of this statement were implemented in fiscal year 2025, but did not have an impact on the financial statements. See Note 1.D.15 of the financial statements.

GASB issued Statement No. 102, *Certain Risk Disclosures,* in December 2023. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year 2025, but did not have an impact on the financial statements. See Note 1.E of the financials statements.

II. Detailed Notes on All Funds

A. Deposits and Investments

State statutes require that all deposits in financial institutions be fully collateralized by U.S. government obligations or obligations of Texas and its agencies that have a fair value of not less that the principal amount of the deposits. As of September 30, 2025, the carrying amount of the City's on demand deposits (including MEDC) was $74,561,191 and the bank balance was $89,493,811. Funds were fully collateralized throughout the entire year. As of September 30, 2025, the primary government had cash and cash equivalents and investments of $347,417,523 including the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM):

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Primary Government - Governmental and Business-type Activities	Net Asset Value	WAM (Days)
Investment Type – TexSTAR Investment Pool	$ 9,297,380	49
Investment Type - Money Market Mutual Funds	23,779,749	1
Investment Type - LOGIC Investment Pool	79,320,307	54
Investment Type - Texas CLASS Investment Pool	154,176,916	43
Total Net Asset Value and Weighted Average Maturity	$ 266,574,352	43

As of September 30, 2025, the Mansfield Economic Development Corporation had cash and cash equivalents of $69,083,447 including the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM):

Component Unit – Mansfield Economic Development Corporation	Net Asset Value	WAM (Days)
Investment Type – TexSTAR Investment Pool	$ 45,865,372	49
Total Net Asset Value and Weighted Average Maturity	$ 45,865,372	49

II. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

As of June 30, 2025, the Fiduciary fund, Retiree Health Insurance OPEB Trust had cash and cash equivalents of $29,500,055, including the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM):

Fiduciary Fund - Retiree Health Insurance OPEB Trust	Net Asset Value	WAM (Days)
Investment Type - Money Market Mutual Funds	$ 29,500,055	1
Total Net Asset Value and Weighted Average Maturity	$ 29,500,055	1

Money market accounts are marketable securities in active markets that have observable inputs and prices.

Interest Rate Risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit Risk – The City is authorized to invest in U.S. government obligations and its agencies or instrumentalities, obligations of Texas and its agencies, fully insured or collateralized certificates of deposit, fully collateralized direct repurchase agreements, government pools and money market funds consisting of any of these securities listed, and obligations of states, cities, and other political subdivisions with a rating of "A" or its equivalent. As of September 30, 2025, the City's investment in the money market mutual funds was rated "AAA" by Standard and Poor's and "Aaa" by Moody's Investment Service.

Custodial Credit Risk Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy, which requires a collateralization level of 105% of fair value less an amount insured by the FDIC. Of the primary government and the component unit's categorizable bank deposits, none were uninsured and uncollateralized as of September 30, 2025

Custodial Credit Risk Investments – For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has an investment policy, which requires a collateralization level of 105% of fair value of principal and accrued interest on investments other than direct purchases of U.S. Treasuries or Agencies. The policy requires all investments held by outside parties for safekeeping in the name of the City or on behalf of the City.

Concentration of Credit Risk Investments – The City's investment policy does not place a limit on the amount the City may invest in a single issuer because the City's investment policy limits the City's authorized investments. These authorized investments include any security backed by the federal government, the State of Texas, or political subdivision with an investment grade rating of "A" or better. The City's investment policy authorizes mutual funds, "AAA" rated only registered with the Securities and Exchange Commission available alternatives to previously listed authorized securities.

At September 30, 2025, the City's investments are held in Money Market Mutual Funds; Texas CLASS; LOGIC; and TexSTAR Participant Services. These investments are 18.0%, 52.1%, 26.8% and 3.1%, respectively, of the City's total investments. These money market mutual funds are invested in U.S. Treasury obligations, which are backed by the full faith and credit of the U.S. government.

At June 30, 2025, the fiscal year end of the Retiree Health Insurance Trust fiduciary fund, the trust had assets held in cash and cash equivalents (2.7%), mutual funds - equity (49.6%), and mutual funds - fixed income (47.7%).

II. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

External Investment Pool – TexSTAR's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the fund or who do not have a business relationship with the fund and are qualified to advise. The investment objective and strategies of the pool is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The pool offers same day access to investment funds.

JPMorgan Investment Management (JPMIM) and Hilltop Securities, Inc. (HSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMIM serves as an investment advisor to TexSTAR, while HSAM provides administrative participant support and marketing services.

TexSTAR is not registered with the Securities and Exchange Commission (SEC) as an investment company but is an investment pool that has been organized in conformity with Chapters 791, Interlocal Cooperation Act, and 2256, Public Funds Investment Act, of the Texas Government Code.

LOGIC is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and JPMIM, and managed by JPMIM, who provides custody and investment management. LOGIC's investment objectives are to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The portfolio will maintain a dollar weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of $1.00 per share.

LOGIC may invest in securities including: obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; other obligations which are unconditionally guaranteed or insured by the U.S.; fully collateralized repurchase agreements with a defined termination date and unconditionally guaranteed or insured by the U.S. or its agencies and instrumentalities; SEC-registered money-market fund rated in the highest rating category by at least one nationally recognized statistical rating organization (NRSRO); and commercial paper as authorized under the Public Funds Investment Act (PFIA). The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium, or national or state emergency that affects the pools' liquidity.

The Cooperative Liquid Assets Securities System - Texas ("CLASS") is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Chapter 2256, Texas Government Code. CLASS is created under an Amended and Restated Trust Agreement, dated as of May 1, 2001 (the "Agreement") among certain Texas governmental entities investing in the pool (the "Participants"), Municipal Investors Services Corporation ("MBIA-MISC") as program administrator, and Wells Fargo as custodian. CLASS is not SEC-registered and is not subject to regulation by the State of Texas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with MBIA-MISC to provide for the investment and management of the public funds of CLASS.

Separate financial statements for CLASS may be obtained by contacting MBIA Asset Management at 815-A Brazos Street, Suite 345, Austin, Texas 78701- 9996 or by calling (800) 707-6242. CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or a national or state emergency that affects the pool's liquidity.

II. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Investments with TexSTAR, LOGIC, and Texas CLASS are carried at net asset value per share (or its equivalent), which are not classified in the fair value hierarchy. Fair value amounts approximate net asset value for the applicable external investment pool balances.

In accordance with GASB Statement No. 72, Fair Value Measurement and Application, investments are recorded at fair value.

In accordance with Statement No. 72, the City categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Mutual funds are categorized as Level 1.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the investment portfolio as follows:

Investment Type	Not to Exceed
Obligations of the United States	100%
Obligations of the State of Texas	100%
Certificates of Deposit	100%
Investment Pools	100%
Mutual Funds	100%

As a means of limiting its exposure to fair value losses arising from rising interest rates, the following guidelines reflect the Retiree Health Insurance OPEB Trust's asset allocation goals:

Portfolio Segment	Range of Portfolio Assets
Equity	40 -60%
Fixed income	40 -60%
Cash	0-20%

In accordance with GASB Statement No. 72, Fair Value Measurement and Application, investments are recorded at fair value.

In accordance with Statement No. 72, the Retiree Health Insurance OPEB Trust categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Mutual funds are categorized as Level 1.

The City, including the proprietary funds and the component unit, do not have any debt security investments, other than in the Retiree Health Insurance OPEB Trust, which are exposed to interest rate risk.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City does not have any investments in foreign obligations.

II. Detailed Notes on All Funds (continued)

B. Receivables

Receivables for the City's governmental funds as of September 30, 2025 consisted of the following:

	Governmental Funds					
	General	Debt Service	MPFDC	TIRZ #2	Non-major	Total
Receivables:						
Property taxes	$ 747,193	$ 389,523	$ -	$ -	$ 121,236	$ 1,257,952
Sales taxes	2,475,050	-	-	-	-	2,475,050
Other taxes	-	-	-	-	130,349	130,349
Ambulance fees	4,429,454	-	-	-	-	4,429,454
Fines, fees and court costs	365,870	-	-	-	-	365,870
Developer agreements	3,964,238	-	-	429,583	-	4,393,821
Lease receivable	-	-	203,930	-	-	203,930
PPP receivable	-	-	16,978,396	-	-	16,978,396
Other receivables	1,033,322	-	1,090,740	-	250,725	2,374,787
Gross Receivables	13,015,127	389,523	18,273,066	429,583	502,310	32,609,609
Less: Allowance for Uncollectible	(3,834,290)	(265,885)	-	-	-	(4,100,175)
Net Total Receivables	$ 9,180,837	$ 123,638	$ 18,273,066	$ 429,583	$ 502,310	$ 28,509,434

Receivables for the City's enterprise funds as of September 30, 2025 consisted of the following:

	Proprietary Funds		
	Water & Sewer	Drainage Utility	Total
Receivables:			
Accounts	$ 8,590,681	$ 521,872	$ 9,112,553
Other	4,243	-	4,243
Gross Receivables	8,594,924	521,872	9,116,796
Less: Allowance for Uncollectible	(2,187,605)	(148,169)	(2,335,774)
Net Total Receivables	$ 6,407,319	$ 373,703	$ 6,781,022

Receivables for MEDC total in the amount of $843,357 as of September 30, 2025.

II. Detailed Notes on All Funds (continued)

C. Capital Assets

Governmental activities' capital assets activity for the year ended September 30, 2025 is as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Not Being Depreciated/Amortized:					
Land	$ 124,425,103	$ 4,870,480	$ -	$ (3,355,923)	$ 125,939,660
Construction in progress	94,786,905	88,673,575	(43,738)	(33,222,166)	150,194,576
Total Capital Assets, Not Being Depreciated/Amortized	219,212,008	93,544,055	(43,738)	(36,578,089)	276,134,236
Capital Assets, Being Depreciated/Amortized:					
Buildings	119,459,781	28,649	(5,928)	10,008,029	129,490,531
Other improvements	39,565,964	-	-	2,296,069	41,862,033
Machinery and equipment	44,794,663	5,563,278	(6,596,451)	403,539	44,165,029
Infrastructure	547,834,359	911,397	-	23,870,452	572,616,208
Lease assets - equipment	304,852	-	(182,313)	-	122,539
Subscription assets	5,531,940	41,379	(1,132,887)	-	4,440,432
Total Capital Assets, Being Depreciated/Amortized	757,491,559	6,544,703	(7,917,579)	36,578,089	792,696,772
Less Accumulated Depreciation/Amortization for:					
Buildings	(26,786,725)	(2,362,237)	5,928	(4,711,982)	(33,855,016)
Other improvements	(28,821,472)	(1,518,521)	-	11,458,063	(18,881,930)
Machinery and equipment	(27,086,377)	(3,583,901)	6,470,898	(1,381,374)	(25,580,754)
Infrastructure	(279,665,764)	(16,748,698)	-	(5,364,707)	(301,779,169)
Lease assets - equipment	(193,024)	(40,847)	121,544	-	(112,327)
Subscription assets	(1,925,764)	(1,021,654)	471,259	-	(2,476,159)
Total Accumulated Depreciation/Amortization	(364,479,126)	(25,275,858)	7,069,629	-	(382,685,355)
Total Depreciable/Amortizable - Net	393,012,433	(18,731,155)	(847,950)	36,578,089	410,011,417
Governmental Activities - Net	$ 612,224,441	$ 74,812,900	$ (891,688)	$ -	$ 686,145,653

Depreciation/amortization expense was charged to functions/programs of the governmental activities as follows:

Governmental Activities	
General Government	$ 2,371,315
Public Safety	3,182,945
Public Works	16,849,410
Culture and Recreation	2,872,188
Total Depreciation/Amortization Expense - Governmental Activities	$ 25,275,858

Governmental activities had outstanding commitments at September 30, 2025, under authorized construction contracts of approximately $90.9 million. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources. These outstanding commitments relate to the major funds.

II. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Business-type Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Not Being Depreciated/Amortized:					
Land	$ 14,298,767	$ 111,579	$ -	$ -	$ 14,410,346
Construction in progress	19,356,837	29,364,102	-	(10,557,557)	38,163,382
Total Capital Assets, Not Being Depreciated/Amortized	33,655,604	29,475,681	-	(10,557,557)	52,573,728
Capital Assets, Being Depreciated/Amortized:					
Buildings and systems	230,118,932	298,320	-	3,079,268	233,496,520
Improvements other than buildings	467,691	-	(11,534)	(43,775)	412,382
Machinery and equipment	7,068,296	1,411,503	(899,919)	-	7,579,880
Infrastructure	109,370,625	959,720	-	7,522,064	117,852,409
Lease assets - equipment	43,927	-	(25,135)	-	18,792
Subscription assets	785,187	-	-	-	785,187
Total Capital Assets, Being Depreciated/Amortized	347,854,658	2,669,543	(936,588)	10,557,557	360,145,170
Less Accumulated Depreciation/Amortization for:					
Buildings and systems	(64,425,103)	(4,568,798)	-	-	(68,993,901)
Improvements other than buildings	(80,451)	(20,147)	11,534	-	(89,064)
Machinery and equipment	(4,262,823)	(709,868)	877,605	-	(4,095,086)
Infrastructure	(27,631,847)	(2,227,701)	-	-	(29,859,548)
Lease assets - equipment	(22,633)	-	12,997	-	(9,636)
Subscription assets	(168,466)	(157,039)		-	(325,505)
Total Accumulated Depreciation/Amortization	(96,591,323)	(7,683,553)	902,136	-	(103,372,740)
Total Depreciable/Amortizable - Net	251,263,335	(5,014,010)	(34,452)	10,557,557	256,772,430
Business-Type Activities - Net	$ 284,918,939	$ 24,461,671	$ (34,452)	$ -	$ 309,346,158

Depreciation/amortization expense was charged to functions/programs of business-type activities as follows:

Business-Type Activities:	
Water and Sewer	$ 7,429,669
Drainage Utility Fund	253,884
Total Depreciation/Amortization Expense - Business-Type Activities	$ 7,683,553

The Water & Sewer Fund had outstanding commitments at September 30, 2025, under authorized construction contracts of approximately $22.7 million. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources.

The Drainage Fund had no outstanding commitments at September 30, 2025.

II. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Discretely Presented Component Unit

Activity for the MEDC for the year ended September 30, 2025 was as follows:

Mansfield Economic Development Corporation:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated/Amortized:				
Land	$ 12,846,835	$ -	$ (2,464,466)	$ 10,382,369
Construction in progress	340,910	39,733,128	-	40,074,038
Total Capital Assets, Not Being Depreciated/Amortized:	13,187,745	39,733,128	(2,464,466)	50,456,407
Capital Assets, Being Depreciated/Amortized:				
Buildings	605,288	-	-	605,288
Other Improvements	16,416,326	-	(167,247)	16,249,079
Lease assets - equipment	6,284	-	(6,284)	-
Subscription assets	30,305	-	-	30,305
Total Capital Assets, Being Depreciated/Amortized:	17,058,203	-	(173,531)	16,884,672
Less Accumulated Depreciation/Amortization for:				
Buildings	(38,210)	(12,109)	-	(50,319)
Other Improvements	(449,071)	(490,056)	52,690	(886,437)
Lease assets	(4,189)	(2,095)	6,284	-
Subscription assets	(10,102)	(10,102)	-	(20,204)
Total Accumulated Depreciation/Amortization	(501,572)	(514,362)	58,974	(956,960)
Total Depreciable/Amortizable - Net	16,556,631	(514,362)	(114,557)	15,927,712
Mansfield Economic Development Corporation - Net	$ 29,744,376	$ 39,218,766	$ (2,579,023)	$ 66,384,119

The MEDC had outstanding commitments at September 30, 2025, under authorized construction contracts of approximately $51.2 million. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources.

Net Investment in Capital Assets

As of September 30, 2025, the City's governmental activities calculated net investment in capital assets as follows:

Governmental Activities - Net Investment in Capital Assets:	
Capital assets, net	$ 686,145,653
Bonds and leases/SBITAs payable	(394,175,306)
Unamortized premium/discount	(31,650,414)
Deferred amount on refunding	(1,608,004)
Related liabilities	(25,289,872)
Unspent proceeds	198,141,239
Net Investment in Capital Assets	$ 431,563,296

II. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

As of September 30, 2025, the City's business-type activities calculated net investment in capital assets as follows:

Business-Type Activities - Net Investment in Capital Assets:

	Water & Sewer	Drainage	Business-type Activities
Capital assets, net	$ 299,047,214	$ 10,298,944	$ 309,346,158
Bonds, leases/SBITAs payable, and unamortized premium	(67,546,772)	(330,958)	(67,877,730)
Related liabilities	(7,474,271)	(34,748)	(7,509,019)
Deferred amount on refunding	1,462,335	-	1,462,335
Unspent proceeds	52,952,735	-	52,952,735
Net Investment in Capital Assets	$ 278,441,241	$ 9,933,238	$ 288,374,479

As of September 30, 2025, MEDC calculated net investment in capital assets as follows:

Component Unit - Net Investment in Capital Assets:

Capital assets, net	$ 66,384,119
Bonds, leases/SBITAs payable, and unamortized premium	(96,174,919)
Unspent proceeds	45,865,372
Net investment in Capital Assets	$ 16,074,572

D. Due to/Due from

The composition of the due to/due from balances as of September 30, 2025 is as follows:

Fund	Due from	Due to
General Fund	$ -	$ 18,606,081
Building Construction	1,773,788	-
Mansfield Parks Facilities Development Corporation	4,005,645	-
TIRZ #2	8,185,622	
Nonmajor Governmental Funds	4,641,026	-
Total	$ 18,606,081	$ 18,606,081

The General Fund purchased land for a park that will be repaid by Mansfield Parks Facility Development Corporation in future years. Interfund activity from the General Fund, Building Construction, TIRZ #2, and non-major funds is for the purpose of purchase, construction, and improvements of capital items and for start-up costs for new funds that do not have a sufficient revenue stream yet. Balances will be repaid when future revenues are available within the next fiscal year.

II. Detailed Notes on All Funds (continued)

E. Interfund Transfers

The composition of interfund transfers as of September 30, 2025 is as follows:

	Transfers Out			
Transfers In	**General Fund**	**Nonmajor Governmental**	**Water & Sewer**	**Total**
General Fund	$ -	$ -	$ -	$ -
Building Construction	117,826	-	-	117,826
MPFDC	721,823	-	-	721,823
Nonmajor	614,041	736,376	4,606,880	5,957,297
Drainage	-	-	74,618	74,618
Total	$ 1,453,690	$ 736,376	$ 4,681,498	$ 6,871,564

The various capital projects funds in nonmajor governmental funds received transfers from the Water & Sewer Funds for a reimbursements of capital outlay related to constructions projects during the year.

Interfund activity from the General Fund and the non-major funds is for the purpose of purchase, construction, and improvements of capital assets for government-wide purposes. These transfers are budgeted annually. The unexpended funds within the non-major funds generally are reappropriated upon the adoption of the next fiscal year's budget. These interfund transfers within the Governmental Fund Types are eliminated upon the reporting of government-wide financial statements.

F. Long-Term Debt

1. Governmental Activities – General Obligation Bonds, Loans, and Certificates of Obligation

The general obligation bonds, loans, and certificates of obligation are serial and term debt collateralized by the full faith and credit of the City and are payable from property taxes. The debt matures annually in varying amounts through 2045, and interest is payable semiannually. Proceeds of general obligation bonds are recorded in the Capital Projects Funds and are restricted to the use for which they were approved in the bond elections. Certificates of obligation bonds and loan proceeds are recorded in the appropriate fund for which the debt was issued and approved by the City. The City Charter expressly prohibits the use of bond proceeds to fund operating expenditures.

In 2025, the City issued $139,615,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2025 in the amount $139,615,000 plus premiums of $15,769,265 and less issuance costs of $1,276,967. Proceeds from the sale of the Certificates will be used for the purpose of (i) designing, developing, constructing, improving, repairing, extending and expanding streets, thoroughfares and bridges, including streetscaping, related storm drainage improvements, signalization and other traffic controls, sidewalks, street lights and the acquisition of any right of way therefor; (ii) designing, constructing, renovating, improving and equipping fire department facilities, including Fire Station No. 1 and a logistics and storage building; (iii) acquiring vehicles and equipment for fire, police, public works, code compliance and facilities management, including an ambulance and a quint fire truck; (iv) designing, constructing, renovating, improving, and equipping land and facilities for park, open space and recreation purposes, including the Mansfield Sports Park and Geyer Commons, and acquiring land therefor; (v) designing, constructing, and equipping a new city hall for housing governmental functions of the City; (vi) professional services incurred in connection with items (i) through (v); (vii) paying capitalized interest on the Certificates; and (viii) paying the costs incurred in connection with the issuance of the Certificates.

II. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

1. Governmental Activities – General Obligation Bonds, Loans, and Certificates of Obligation (continued)

In 2025, the City issued $12,960,000 in General Obligation Refunding and Improvement Bonds, Series 2025 for the purpose of refunding the Certificates of Obligation Series 2015, and General Obligation Refunding Series 2015. Proceeds of the Bonds are expected to be used for the purpose of (i) acquiring, designing, constructing, expanding, and equipping the Mansfield Linear Park Trail Network, including Walnut Creek Linear Park and Pond Branch Linear Park, and the acquisition of land therefor, (ii) refunding a portion of the City's outstanding debt in order to lower the overall debt requirements of the City; and (iii) paying the costs incurred in connection with the issuance of the Bonds.

The debt service for the refunded bonds totaled $14,975,000 and deposited $11,527,773 in escrow to refund the bonds. The debt service of the refunded debt was $20,946,500, while the new refunding debt service will be $19,866,337. The net present value of the savings is $1,080,163. The refunding resulted in an economic gain of $1,102,341 which will be amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt.

The total amount of deferred loss on refunding for the governmental bonds was $210,261 at September 30, 2025.

The total amount of deferred gain on refunding for the governmental bonds was $1,818,265 at September 30, 2025.

General obligation debt outstanding at September 30, 2025 comprises the following issues:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2016A CO	1.25% to 3.90%	2041	$ 2,960,000	$ 2,210,000
2017 CO	3.00% to 5.00%	2037	18,975,000	13,225,000
2018 CO	3.00% to 4.00%	2038	15,960,000	11,565,000
2019 CO	3.00% to 4.00%	2039	13,750,000	10,730,000
2020 CO	2.00% to 4.00%	2040	24,245,000	19,660,000
2020 GO Refunding	2.00% to 4.00%	2031	4,475,000	1,105,000
2021 CO	1.50% to 4.00%	2041	9,100,000	7,625,000
2022 CO	4.00% to 5.00%	2042	9,360,000	8,430,000
2022 GO Refunding	4.13% to 5.00%	2043	13,365,000	12,155,000
2022A CO	4.50% to 5.00%	2043	49,200,000	47,605,000
2023 CO	4.00% to 5.00%	2043	4,925,000	4,710,000
2024 GO Refunding	5.00%	2034	11,290,000	9,610,000
2024 CO	5.00%	2044	58,757,000	58,485,000
2025 GO Refunding	4.00% to 5.00%	2045	12,960,000	12,960,000
2025 CO	4.00% to 5.25%	2045	139,615,000	139,615,000
Total				$ 359,690,000

II. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

1. Governmental Activities – General Obligation Bonds, Loans, and Certificates of Obligation (continued)

Debt requirements to maturity of $526,586,492 for general obligation debt, including interest of $166,896,492, are as follows:

	Governmental Activities - General Obligations & Certificates of Obligation		
Fiscal Year	**Principal**	**Interest**	**Total**
2026	$ 12,215,000	$ 16,242,724	$ 28,457,724
2027	15,920,000	15,590,634	31,510,634
2028	16,740,000	14,835,770	31,575,770
2029	17,605,000	14,040,748	31,645,748
2030	17,465,000	13,223,134	30,688,134
2031 - 2035	97,025,000	53,169,057	150,194,057
2036 - 2040	99,480,000	30,771,790	130,251,790
2041 - 2045	83,240,000	9,022,635	92,262,635
	$ 359,690,000	$ 166,896,492	$ 526,586,492

2. Governmental Activities – Special Sales Tax Revenue Bonds

The Special Sales Tax Revenue Bonds are special limited obligations of the MPFDC payable from proceeds of an additional ½ of 1% sales and use tax levied by the City. The bonds are serial obligations payable annually in varying amounts with interest payable semiannually. The proceeds of these bonds are to be used for their legal purposes as prescribed in the statutes of the State of Texas.

As of September 30, 2025 there was no defeased debt outstanding related to the Sales Tax Revenue Bonds.

Special Sales Tax Revenue and Revenue Refunding Bonds outstanding at September 30, 2025 are as follows:

Series	**Interest Rates**	**Date Series Matures**	**Amount of Original Issue**	**Bonds Outstanding**
2016	2.00% to 4.00%	2035	$ 6,775,000	$ 2,475,000
2016	1.05% to 4.83%	2040	14,930,000	10,440,000
2016A	1.50% to 2.90%	2041	8,295,000	6,225,000
2018	3.00% to 4.00%	2043	2,325,000	3,100,000
2018	2.54% to 4.35%	2043	3,785,000	1,710,000
Total				$ 23,950,000

II. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

2. Governmental Activities – Special Sales Tax Revenue Bonds (continued)

Debt service requirements to maturity of $32,822,688 for Special Sales Tax Revenue Bonds, including interest of $8,872,688, are as follows:

	Governmental Activities - Sales Tax Revenue Bonds		
Fiscal Year	**Principal**	**Interest**	**Total**
2026	$ 1,810,000	$ 1,005,849	$ 2,815,849
2027	1,550,000	941,449	2,491,449
2028	1,480,000	884,445	2,364,445
2029	1,285,000	827,728	2,112,728
2030	1,330,000	778,813	2,108,813
2031 - 2035	7,555,000	3,025,470	10,580,470
2036 - 2040	7,730,000	1,325,877	9,055,877
2041 - 2045	1,210,000	83,057	1,293,057
	$ 23,950,000	$ 8,872,688	$ 32,822,688

The following is a summary of pledged revenues for the Mansfield Parks Facility Development Corporation for the year ended September 30, 2025:

Revenue Pledged	Total Revenue Pledged	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue will not be Available for Other Purposes
.5% Sales and Use Tax	$ 10,844,325	$ 2,800,917	26%	$ 32,822,688	Until 2043

3. Governmental Activities – Special Assessment Revenue Bonds

In 2025, the City issued $9,165,000 in Special Assessment Revenue Bonds, Series 2025. Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the actual costs of the Improvement Area #1 Improvements, (ii) funding the Bond Reserve Account of the Reserve Fund, (iii) paying capitalized interest on the Bonds, (iv) paying for a portion of the costs incidental to the organization and administration of the Staybolt Public Improvement District, and (v) paying costs of issuance of the Bonds.

The Bonds are special, limited obligations of the PID payable from Improvement Area #1 Assessments levied against assessable properties in the Improvement Area #1 of the PID.

Special assessment revenue bonds outstanding as of September 30, 2025 are as follows:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2025	4.38% to 6.25%	2055	$ 9,165,000	$ 9,165,000
Total				$ 9,165,000

II. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

3. Governmental Activities – Special Assessment Revenue Bonds (continued)

Debt service requirements to maturity of $20,291,767 for Special Assessment Revenue Bonds, including interest of $11,126,767 are as follows:

	Governmental Activities - Special Assessment Bonds		
Fiscal Year	**Principal**	**Interest**	**Total**
2026	$ -	$ 535,673	$ 535,673
2027	134,000	547,848	681,848
2028	140,000	541,985	681,985
2029	146,000	535,860	681,860
2030	152,000	529,473	681,473
2031 - 2035	873,000	2,533,013	3,406,013
2036 - 2040	1,159,000	2,247,680	3,406,680
2041 - 2045	1,558,000	1,854,920	3,412,920
2046 - 2050	2,112,000	1,316,001	3,428,001
2051 - 2055	2,891,000	484,314	3,375,314
	$ 9,165,000	$ 11,126,767	$ 20,291,767

4. Governmental Activities – Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	$ 234,190,000	$ 152,575,000	$ (27,075,000)	$ 359,690,000	$ 12,215,000
Sales tax revenue bonds	25,685,000	-	(1,735,000)	23,950,000	1,810,000
Special assessment bonds	-	9,165,000	-	9,165,000	-
Deferred Amounts:					
Premiums	18,602,767	16,924,394	(3,702,699)	31,824,462	-
Discounts	(334,202)	(52,548)	212,702	(174,048)	-
Total bond payable	278,143,565	178,611,846	(32,299,997)	424,455,414	14,025,000
Compensated absences	14,061,242	5,235,181	(5,872,057)	13,424,366	5,538,441
Lease payable	123,827	-	(92,801)	31,026	31,026
Subscription payable	2,426,799	41,379	(1,128,898)	1,339,280	808,423
Total other payable	16,611,868	5,276,560	(7,093,756)	14,794,672	6,377,890
Net Pension Liability	34,506,593	-	(4,823,006)	29,683,587	-
Net OPEB Liability	16,046,527	-	(466,284)	15,580,243	-
Total OPEB Liability - SDBF	1,186,085	-	(24,211)	1,161,874	-
Total Pension & OPEB Liabilities	51,739,205	-	(5,313,501)	46,425,704	-
Total Governmental Activities	$ 346,494,638	$ 183,888,406	$ (44,707,254)	$ 485,675,790	$ 20,402,890

For the governmental activities, compensated absences are generally liquidated by the general fund or the respective special sales tax fund.

II. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

5. Business-Type Activities – Waterworks and Sewer System Refunding and Revenue Bonds

The Water & Sewer fund revenue bonds are payable from the gross revenues of the Water & Sewer system. Gross revenues are to be used first-to-pay operating and maintenance expenses of the system, and second, to maintain revenue bond funds in accordance with the bond covenants. Remaining revenues may then be used for any lawful purpose. The debt matures annually in varying amounts through 2044, and interest is payable semiannually. The total amount of deferred loss on refunding for the Water & Sewer revenue bonds was $1,462,335 at September 30, 2025.

Water & Sewer fund debt outstanding at September 30, 2025 comprises of the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2015	2.00% to 5.00%	2027	$ 9,540,000	$ 755,000
2016	2.00% to 5.00%	2035	24,510,000	10,890,000
2021	2.00% to 3.00%	2030	7,425,000	3,420,000
2024	5.00%	2044	44,955,000	44,755,000
Total				$ 59,820,000

Debt service requirements to maturity of $87,579,080 for Water & Sewer fund, including interest of $27,759,080, are as follows:

	Business-Type Activities - Water & Sewer		
Fiscal Year	Principal	Interest	Total Requirements
2026	$ 4,440,000	$ 2,883,115	$ 7,323,115
2027	4,640,000	2,677,865	7,317,865
2028	4,455,000	2,463,000	6,918,000
2029	4,655,000	2,253,850	6,908,850
2030	2,875,000	2,035,100	4,910,100
2031 - 2035	12,435,000	8,439,900	20,874,900
2036 - 2040	13,190,000	5,325,000	18,515,000
2041 - 2045	13,130,000	1,681,250	14,811,250
	$ 59,820,000	$ 27,759,080	$ 87,579,080

6. Business-type Activities – Drainage Revenue Bonds

The Drainage Fund revenue bonds are payable from the gross revenues of the Drainage system. Gross revenues are to be used first to pay operating and maintenance expenses of the system, and second, to maintain revenue bond funds in accordance with the bond covenants. Remaining revenues may then be used for any lawful purpose. The debt matures annually in varying amounts through 2027, and interest is payable semiannually.

Drainage Fund debt outstanding at September 30, 2025 comprises of the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2007	4.00% to 4.30%	2027	$ 2,200,000	$ 305,000
Total				$ 305,000

II. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

6. Business-type Activities – Drainage Revenue Bonds (continued)

Debt service requirements to maturity of $324,780 for Drainage debt, including interest of $19,780, are as follows:

	Business-Type Activities - Drainage		
Fiscal Year	**Principal**	**Interest**	**Total Requirements**
2026	$ 150,000	$ 13,115	$ 163,115
2027	155,000	6,665	161,665
Total	$ 305,000	$ 19,780	$ 324,780

7. Changes in business-type activity long-term liabilities

A summary of business-type activity for the year ended September 30, 2025, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Business-type Activities:					
Bonds payable:					
Water/Sewer Revenue Bonds	$ 62,875,000	$ -	$ (3,055,000)	$ 59,820,000	$ 4,440,000
Drainage Utility Revenue Bonds	450,000	-	(145,000)	305,000	150,000
Deferred Amounts:					
Premiums	8,107,400	-	(610,269)	7,497,131	-
Discounts	(93,340)	-	1,081	(92,259)	-
Total bond payable	71,339,060	-	(3,809,188)	67,529,872	4,590,000
Compensated absences	1,375,833	775,278	(864,987)	1,286,124	536,439
Lease payable	21,949	-	(12,325)	9,624	3,784
Subscription payable	455,595	-	(117,361)	338,234	126,162
Total other payable	1,853,377	775,278	(994,673)	1,633,982	666,385
Net Pension Liability	4,082,516	-	(549,657)	3,532,859	-
Net OPEB Liability	2,360,385	-	(506,067)	1,854,318	-
Total OPEB Liability - SDBF	140,281	-	(1,998)	138,283	-
Total Pension & OPEB Liabilities	6,583,182	-	(1,057,722)	5,525,460	-
Total Business-type Activities	$ 79,775,619	$ 775,278	$ (5,861,583)	$ 74,689,314	$ 5,256,385

For financial reporting purposes, the unamortized premiums and discounts have been netted against total bonds outstanding. The Business-Type Activity long-term debt will be repaid, plus interest, from the operating revenues derived primarily from water sales, sewer service charges, and drainage service charges or operating transfers from the general fund.

8. Mansfield Economic Development Corporation – Sales Tax Revenue Bonds

In 2025, MEDC issued $56,485,000 in Sales Tax Revenue Bonds, Tax-Exempt New Series 2025. Proceeds from the sale of the Tax-Exempt Bonds will be used for the purpose of (i) designing, developing and constructing a professional multi-sport stadium and related infrastructure; (ii) acquiring a Reserve Fund Surety Bond for deposit in the New Series 2025 Tax-Exempt Bonds Reserve Fund; (iii) paying capitalized interest on the Tax-Exempt Bonds; and (iv) paying the costs of issuing the Tax-Exempt Bonds.

II. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

8. Mansfield Economic Development Corporation – Sales Tax Revenue Bonds (continued)

In 2025, MEDC issued $22,610,000 in Sales Tax Revenue Bonds, Taxable New Series 2025. Proceeds from the sale of the Taxable Bonds will be used for the purpose of (i) designing, developing and constructing a professional multi-sport stadium and related infrastructure;(ii) acquiring a Reserve Fund Surety Bond for deposit in the New Series 2025 Taxable Bonds Reserve Fund; (iii) paying capitalized interest on the Taxable Bonds; and (iv) paying the costs of issuing the Taxable Bonds.

The Sales Tax Revenue Refunding Bonds are special limited obligations of the MEDC payable from proceeds of an additional ½ of 1% sales and use tax levied by the City. The bonds are serial obligations payable annually in varying amounts with interest payable semiannually.

MEDC debt outstanding at September 30, 2025 comprises of the following issues:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012	2.00% to 4.00%	2032	$ 3,090,000	$ 1,295,000
2016	2.00% to 4.00%	2036	14,125,000	8,955,000
2018	2.52% to 4.29%	2038	6,200,000	4,580,000
2025	4.00% to 5.00%	2054	56,485,000	56,485,000
2025	4.53% to 5.47%	2054	22,610,000	22,610,000
Total				$ 93,925,000

Debt service requirements to maturity of $171,340,625 for MEDC debt, including interest of $77,515,625, are as follows:

	MEDC Activities - Revenue Bonds		
Fiscal Year	Principal	Interest	Total Requirements
2026	$ 1,110,000	$ 4,247,637	$ 5,357,637
2027	1,540,000	4,205,470	5,745,470
2028	1,795,000	4,143,675	5,938,675
2029	1,870,000	4,069,186	5,939,186
2030	1,950,000	3,990,248	5,940,248
2031 - 2035	11,060,000	18,627,484	29,687,484
2036 - 2040	13,700,000	15,992,509	29,692,509
2041 - 2045	17,475,000	12,212,443	29,687,443
2046 - 2050	22,055,000	7,636,515	29,691,515
2051 - 2055	21,370,000	2,390,458	23,760,458
	$ 93,925,000	$ 77,515,625	$ 171,340,625

The following is a summary of pledged revenues for the Mansfield Economic Development Corporation for the year ended September 30, 2025:

Revenue Pledged	Total Revenue Pledged	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue will not be Available for Other Purposes
.5% Sales and Use Tax	$ 10,860,615	$ 1,676,730	15%	$ 147,680,167	Until 2054

II. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

9. Changes in MEDC Long-Term Liabilities

A summary of MEDC long-term liabilities activity for the year ended September 30, 2025, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
MEDC Revenue Bonds	$ 15,900,000	$ 79,095,000	$ (1,070,000)	$ 93,925,000	$ 1,110,000
Deferred Amounts:					
Premiums	776,818	1,621,463	(59,645)	2,338,636	-
Discounts	(102,191)	-	3,821	(98,370)	-
Total Bond Payable	16,574,627	80,716,463	(1,125,824)	96,165,266	1,110,000
Compensated absences	82,020	81,641	(24,472)	139,189	24,472
Lease payable	2,157	-	(2,157)	-	-
Subscription payable	18,972	-	(9,319)	9,653	9,653
Total other payable	103,149	81,641	(35,948)	148,842	34,125
Net Pension Liability	429,906	-	(49,146)	380,760	-
Net OPEB Liability	193,444	6,408	-	199,852	-
Total OPEB Liability - SDBF	14,752	152	-	14,904	-
Total Pension & OPEB Liabilities	638,102	6,560	(49,146)	595,516	-
Noncurrent Liabilities	$ 17,315,878	$ 80,804,664	$ (1,210,918)	$ 96,909,624	$ 1,144,125

G. Restricted Assets

The restricted assets of the Business-type Activities as of September 30, 2025 included the following legal use restrictions.

Enterprise Fund	Revenue Sinking and Reserve Fund	Bond Construction Fund	Total
Water & Sewer	$ 4,933,099	$ 52,952,735	$ 57,885,834
Drainage	1,448	-	1,448
Total	$ 4,934,547	$ 52,952,735	$ 57,887,282

The ordinance authorizing the issuance of Water & Sewer System revenue bonds requires that the City establish a sinking fund (Revenue Bond Sinking and Reserve Fund) in an amount not less than the average annual requirement for the payment of principal and interest on all the revenue bonds. At September 30, 2025, the sinking fund balance is sufficient to satisfy such bond ordinance requirements. The bond ordinance also contains provisions, which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amounts and the pledged revenues are equal to or greater than 1.25 times the average annual debt service requirements after giving effect to the proposed additional bonds and any proposed rate increases. In addition, the bond ordinance requires that the annual gross revenues of the Water & Sewer System, less annual operation and maintenance expenses (excluding depreciation and amortization expense), be at least 1.10 times the annual principal and interest requirements of all the outstanding revenue bonds.

The ordinance further requires that the proceeds from the sale of revenue bonds be expended for certain capital improvements to the Water & Sewer System. The unspent proceeds are maintained as restricted assets until such time as needed to fund the Water & Sewer System construction program. The ordinance authorizing the issuance of the Certificates of Obligation requires that the City establish an interest and sinking fund to provide for principal and interest requirements as they become due.

II. Detailed Notes on All Funds (continued)

H. Leases, Subscription-Based Information Technology Arrangements (SBITA), and Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)

1. Leases - City as Lessee

For fiscal year 2025, the City had three active leases. The leases have payments that range from $3,974 to $31,850 and interest rates that range from 0.3160% to 3.2380%. As of September 30, 2025, the total combined value of the lease liability is $40,650, the total combined value of the short-term lease liability is $34,810. As of September 30, 2025, the combined value of the right to use lease asset was $141,331 with accumulated amortization of $121,963. The leases do not have any variable or other payments not included in the lease liability.

Governmental Activities: Right-to-use lease assets	Oct 1, 2024	Additions	Reductions	Sep 30, 2025
Equipment	$ 304,852	$ -	$ (182,313)	$ 122,539
Less accumulated amortization for:				
Equipment	(193,024)	(40,847)	121,544	(112,327)
Governmental Leases, Net	$ 111,828	$ (40,847)	$ (60,769)	$ 10,212

Business-Type Activities: Right-to-use lease assets	Oct 1, 2024	Additions	Reductions	Sep 30, 2025
Equipment	$ 43,927	$ -	$ (25,135)	$ 18,792
Less accumulated amortization for:				
Equipment	(22,633)	-	12,997	(9,636)
Business-Type Leases, Net	$ 21,294	$ -	$ (12,138)	$ 9,156

Component Unit Activities: Right-to-use lease assets	Oct 1, 2024	Additions	Reductions	Sep 30, 2025
Equipment	$ 6,284	$ -	$ (6,284)	$ -
Less accumulated amortization for:				
Equipment	(4,189)	(2,095)	6,284	-
Component Unit Leases, Net	$ 2,095	$ (2,095)	$ -	$ -

Principal and Interest Requirements to Maturity:

	Governmental Activities - Leases		
Fiscal Year	**Principal**	**Interest**	**Total Payment**
2026	$ 31,026	$ 824	$ 31,850
Total	$ 31,026	$ 824	$ 31,850

	Business-Type Activities - Leases		
Fiscal Year	**Principal**	**Interest**	**Total Payment**
2026	$ 3,784	$ 190	$ 3,974
2027	3,872	102	3,974
2028	1,968	17	1,985
	$ 9,624	$ 309	$ 9,933

II. Detailed Notes on All Funds (continued)

H. Leases, Subscription-Based Information Technology Arrangements (SBITA), and Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs) (continued)

2. Leases - City as Lessor

For fiscal year 2025, the City had three active leases. The leases have receipts that range from $9,000 to $500,000 and interest rates that range from 0.5290% to 4.3170%. As of September 30, 2025, the combined value of the lease receivable is $203,930, the total combined short-term receivable is $40,396, and the combined value of the deferred inflow of resources is $185,411. The leases do not have any variable or other receipts not included in the lease receivable. The City recognized $71,405 in lease revenue in charges for services and other services during the fiscal year.

Governmental Activities	October 1, 2024	Additions	Reductions	September 30, 2025
Lease Receivable				
Land	$ 84,317	$ -	$ (45,782)	$ 38,535
Infrastructure	167,178	-	(1,783)	165,395
Total	$ 251,495	$ -	$ (47,565)	$ 203,930

Business-Type Activities	October 1, 2024	Additions	Reductions	September 30, 2025
Lease Receivable				
Infrastructure	$ 22,098	$ -	$ (22,098)	$ -
Total	$ 22,098	$ -	$ (22,098)	$ -

Governmental Activities	October 1, 2024	Additions	Reductions	September 30, 2025
Deferred Inflow of Resources				
Land	$ 82,301	$ -	$ (44,891)	$ 37,410
Infrastructure	153,114	-	(5,464)	147,650
Total	$ 235,415	$ -	$ (50,355)	$ 185,060

Business-Type Activities	October 1, 2024	Additions	Reductions	September 30, 2025
Deferred Inflow of Resources				
Infrastructure	$ 24,582	$ -	$ (21,070)	$ 3,512
Total	$ 24,582	$ -	$ (21,070)	$ 3,512

Principal and Interest Requirements to Maturity:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2026	$ 40,396	$ 7,333	$ 47,729
2027	1,940	7,060	9,000
2028	2,024	6,976	9,000
2029	2,111	6,889	9,000
2030	2,202	6,798	9,000
2031 - 2035	14,363	32,437	46,800
2036 - 2040	22,831	28,649	51,480
2041 - 2045	33,801	22,827	56,628
2046 - 2050	47,913	14,378	62,291
2051 - 2055	36,349	3,182	39,531
Total	$ 203,930	$ 136,529	$ 340,459

II. Detailed Notes on All Funds (continued)

H. Leases, Subscription-Based Information Technology Arrangements (SBITA), and Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs) (continued)

3. Public-Private and Public-Public Partnerships and Availability Payment Arrangements:

The City has made four public-private partnership arrangements to transfer the right to operate or use city owned land for the Hawaiian Falls Waterpark, Fieldhouse, StarCenter, and Mansfield National Golf. The City retains ownership of the underlying PPP assets. The terms and conditions of these agreements varies, some are fixed, periodic payments over the arrangement term, which ranges between 17-30 years. Some PPP agreements have additional variable payments based on a percentage of their gross revenue, the percentage varies from 5% to 15%. For fiscal year 2025, the City collected no variable payments not previously recorded as a receivable and recognized $797,010 in PPP revenue under the charges for services line. The City collected $712,522 related to interest payments recorded in the interest earnings line. For additional information, refer to the disclosures below.

Governmental Activities	Discount rates	October 1, 2024	Additions	Reductions	September 30, 2025
PPP Receivable					
Land	4.116% - 4.297%	$ 17,296,174	$ -	$ (317,778)	$ 16,978,396
Total		$ 17,296,174	$ -	$ (317,778)	$ 16,978,396

Governmental Activities	Discount rates	October 1, 2024	Additions	Reductions	September 30, 2025
Deferred Inflows of Resources					
Land	4.116% - 4.297%	$ 17,667,395	$ -	$ (797,010)	$ 16,870,385
Total		$ 17,667,395	$ -	$ (797,010)	$ 16,870,385

Principal and Interest requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 480,390	$ 711,193	$ 1,191,583
2027	500,798	690,785	1,191,583
2028	522,074	669,509	1,191,583
2029	544,254	647,329	1,191,583
2030	567,377	624,206	1,191,583
2031 - 2035	3,283,800	2,723,950	6,007,750
2036 - 2040	4,278,828	1,954,505	6,233,333
2041 - 2045	4,196,216	974,618	5,170,834
2046 - 2050	2,590,127	209,873	2,800,000
2051	14,532	52	14,584
Total	$ 16,978,396	$ 9,206,020	$ 26,184,416

II. Detailed Notes on All Funds (continued)

H. Leases, Subscription-Based Information Technology Arrangements (SBITA), and Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs) (continued)

4. Subscription-Based Information Technology Arrangements (SBITA)

The City has obtained software through long-term subscription arrangements consisting of financial, HR, cloud workspace, water meter/billing, CAD/Mapping, police assistance, and library software. The terms and conditions for these arrangements varies, some are fixed, periodic payments over the arrangement term, which ranges between 1-5 years. For additional information, refer to the disclosures below.

Governmental Activities

Right-to-Use Subscription Assets	Oct 1, 2024	Additions	Reductions	Sep 30, 2025
Software	$ 5,531,940	$ 41,379	$ (1,132,887)	$ 4,440,432
Less accumulated amortization	(1,925,764)	(1,021,654)	471,259	(2,476,159)
Total	$ 3,606,176	$ (980,275)	$ (661,628)	$ 1,964,273

Business-Type Activities

Right-to-Use Subscription Assets	Oct 1, 2024	Additions	Reductions	Sep 30, 2025
Software	$ 785,187	$ -	$ -	$ 785,187
Less accumulated amortization	(168,466)	(157,039)	-	(325,505)
Total	$ 616,721	$ (157,039)	$ -	$ 459,682

MEDC Activities

Right-to-Use Subscription Assets	Oct 1, 2024	Additions	Reductions	Sep 30, 2025
Software	$ 30,305	$ -	$ -	$ 30,305
Less accumulated amortization	(10,102)	(10,102)	-	(20,204)
Total	$ 20,203	$ (10,102)	$ -	$ 10,101

	Governmental Activities - SBITAs		
Fiscal Year	**Principal**	**Interest**	**Total Payment**
2026	$ 808,423	$ 39,078	$ 847,501
2027	356,076	13,841	369,917
2028	150,036	5,004	155,040
2029	21,195	589	21,784
2030	3,550	85	3,635
Total	$ 1,339,280	$ 58,597	$ 1,397,877

	Business-type Activities - SBITAs		
Fiscal Year	**Principal**	**Interest**	**Total Payment**
2026	$ 126,162	$ 10,229	$ 136,391
2027	135,413	6,577	141,990
2028	76,659	2,645	79,304
Total	$ 338,234	$ 19,451	$ 357,685

	MEDC Activities - SBITAs		
Fiscal Year	**Principal**	**Interest**	**Total Payment**
2026	$ 9,653	$ 347	$ 10,000
Total	$ 9,653	$ 347	$ 10,000

II. Detailed Notes on All Funds (continued)

I. Pension Retirement Plan

Texas Municipal Retirement System

Plan Description and Provisions

The City, including the Mansfield Economic Development Corporation (MEDC), a discretely presented component unit, in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmrs.com. All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a partial lump-sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions. A summary of plan provisions for the City are as follows:

	Plan Year
Employee deposit rate	7.0%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	100% repeating, transfers
Annuity Increase (to retirees)	70% of CPI Repeating

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	326
Inactive employees entitled to but not yet receiving benefits	256
Active employees	525
Total	1,107

II. Detailed Notes on All Funds (continued)

I. Pension Retirement Plan (continued)

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7.0% of their annual compensation during the fiscal year. The contribution rates for the City were 17.69% and 18.29% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended of September 30, 2025 were $9,749,916 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period:	21 years (longest amortization ladder)
Asset Valuation Method	10 Year Smoothed Market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other Information:	Adopted 70% non-retroactive repeating COLA.

II. Detailed Notes on All Funds (continued)

I. Pension Retirement Plan (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table.

Asset Class	Strategic Target Allocation Index	Long-term Expected Real Rate of Return (Arithmetic)
Global private equity	35.0%	7.1%
Core fixed income	6.0%	5.0%
Non-core fixed income	6.0%	6.8%
Hedge funds	5.0%	6.4%
Private equity	13.0%	8.5%
Private debt	13.0%	8.2%
Real estate	12.0%	6.7%
Infrastructure	6.0%	6.0%
Other private markets	4.0%	7.3%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balance at December 31, 2023	$ 257,028,621	$ 218,009,606	$ 39,019,015
Changes for the year:			
Service cost	9,589,648	-	9,589,648
Interest	17,295,603	-	17,295,603
Change in benefit terms	-	-	
Difference between expected and actual experience	2,581,811	-	2,581,811
Changes of assumptions	-	-	-
Contributions - employer	-	8,849,289	(8,849,289)
Contributions - employee	-	3,501,697	(3,501,697)
Net investment income	-	22,686,560	(22,686,560)
Benefits payments, including refunds of employee contributions	(11,184,577)	(11,184,577)	-
Administrative expense	-	(145,277)	145,277
Other changes	-	(3,398)	3,398
Net changes	18,282,485	23,704,294	(5,421,809)
Balance at December 31, 2024	$ 275,311,106	$ 241,713,900	$ 33,597,206

II. Detailed Notes on All Funds (continued)

I. Pension Retirement Plan (continued)

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability/(Asset)	$ 75,201,600	$ 33,597,206	$ (325,749)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized expense of $11,407,309.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual experience	$ 8,029,131	$ (99,531)
Change in assumptions	649	(317,695)
Difference in projected and actual earnings on pension plan investments	-	(2,649,524)
Contributions subsequent to measurement date	7,547,338	-
	$ 15,577,118	$ (3,066,750)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2026	$ 2,679,380
2027	4,906,198
2028	(1,858,070)
2029	(805,134)
2030	40,656
	$ 4,963,030

II. Detailed Notes on All Funds (continued)

J. Other Post- Employment Benefits (OPEB)

The City offers two other postemployment benefit (OPEB) plans; the Retiree Health Care Plan and the TMRS-Supplemental Death Benefits Fund as discussed below.

1. TMRS Supplemental Death Benefits

Benefit Plan Description

The City participates in the single-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No 75.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is OPEB. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (*i.e.* no assets are accumulated).

Membership in the plan as of the measurement date of December 31, 2024 was as follows:

Inactive employees currently receiving benefits	255
Inactive employees entitled to but not yet receiving benefits	65
Active employees	525
Total	845

Contributions

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. For fiscal year 2025, the City's total contribution rate was 0.23% for the months in 2024 and 0.19% for the months in 2025. The City's retiree portion of the contribution rate was 0.07% for the months in 2024 and 0.07% for the months in 2025. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net position available for benefits.

Discount Rate

The TMRS SDBF program is treated as unfunded OPEB plan because the SDBF trust covers both active employees and retirees and the assets are not segregated for these groups. Under GASB Statement No. 75, the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 4.08% based on the Bond Buyer "20-Bond GO Index" rate is used as of the measurement date of December 31, 2024.

II. Detailed Notes on All Funds (continued)

J. Other Post- Employment Benefits (OPEB) (continued)

1. TMRS Supplemental Death Benefits (continued)

Actuarial Assumptions

The City's total OPEB liability was measured at December 31, 2024, and was determined by an actuarial valuation as of that date using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.6% to 11.85% per year, including inflation
Discount rate*	4.08%
Retirees' share of benefit-related costs	$0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates- disabled retirees	2019 Municipal Retirees of Texas Mortality Table with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

* The discount rate was based on the Bond Buyer "20-Bond GO Index" rate as of December 31, 2024

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Changes in the Total OPEB Liability - SDBF

	Total OPEB Liability
Balance at December 31, 2023	$ 1,341,118
Service cost	50,024
Interest	50,843
Difference between expected and actual experience	(15,793)
Changes in assumptions or other inputs	(76,114)
Benefits payments, including refunds of employee contributions	(35,017)
Net changes	(26,057)
Balance at December 31, 2024	$ 1,315,061

II. Detailed Notes on All Funds (continued)

J. Other Post- Employment Benefits (OPEB) (continued)

1. TMRS Supplemental Death Benefits (continued)

Sensitivity Analysis

The following presents the total OPEB liability of the employer, calculated using the discount rate of 4.08%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate. Note that the healthcare cost trend rate does not affect the total OPEB liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease in Discount Rate (3.08%)	Current Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
City's Total OPEB Liability	$ 1,583,366	$ 1,315,061	$ 1,107,668

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (SDBF) Activity

For the year ended September 30, 2025, the City recognized OPEB expense of $64,041. As of September 30, 2025, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual experience	$ 31,894	$ (72,512)
Change in assumptions	214,994	(467,018)
Contributions subsequent to measurement date	49,262	-
	$ 296,150	$ (539,530)

The deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2026. Amounts currently reported as deferred outflows and deferred inflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows.

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	$ (47,461)
2027	(55,914)
2028	(60,751)
2029	(92,565)
2023	(29,374)
Thereafter	(6,577)
	$ (292,642)

II. Detailed Notes on All Funds (continued)

J. Other Post- Employment Benefits (OPEB) (continued)

2. Retiree Health Care Plan

Plan Description

City employees retiring on TMRS will be provided the opportunity to receive health insurance benefits from the City from the City's existing health care plan. The City established by ordinance a single-employer defined benefit postemployment healthcare plan that covers retired employees of the City. The City established an irrevocable trust and contracted with an administrator as well as a custodial bank to manage the plan's assets or the retiree's medical benefits.

The plan does not issue a stand-alone financial report. For inquiries relating to the plan, please contact: The City of Mansfield, Financial Services Department, 1200 East Broad Street, Mansfield, Texas 76063.

Measurement Focus and Basis of Accounting

The City of Mansfield, Texas Retiree Health Insurance Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the determination of the employer.

Benefit Plan Description

City employees will be provided the opportunity to elect employer-subsidized health programs until the age of 65. Employees and their dependents who retire before the age of 65 with ten years of service and less than 20 years of service are eligible to receive full health insurance coverage until the employee turns 65 at the same cost of an active employee. Employees and their dependents who retire with 20 years of service are eligible to receive full health insurance coverage until they turn 65; while their dependents are eligible for full health insurance coverage they must pay the same cost as an active employee for full insurance coverage of their dependents. The City amended this plan in fiscal year 2021 resulting in a decrease in the net OPEB liability at year end and resulting in a deferred inflow of resources - plan benefit changes. The change requires all retirees and their spouses on the health insurance plan, upon turning 65, must obtain medical coverage through Medicare. The City provides a monthly allowance to offset the cost of Medicare for retirees and their spouses over the age of 65.

Membership in the plan as of the measurement date of June 30, 2025 was as follows:

Inactive employees (retired post-65)	81
Inactive employees (retired pre-65)	104
Active employees	498
Total	683

Contributions

Participants included in the actuarial valuation include retirees and survivors, and active employees who may be eligible to participate in the Plan upon retirement. Eligible retired employees participating in the City's Retiree Health Insurance Plan pay their premiums directly to the City. Expenditures for post-retirement healthcare and other benefits are recognized monthly and funded into the irrevocable trust. The City funds 100% of the actuarially determined contribution (ADC), which approximates the annual OPEB cost, and totaled $1,000,000 for the fiscal year ended September 30, 2025.

II. Detailed Notes on All Funds (continued)

J. Other Post- Employment Benefits (OPEB) (continued)

2. Retiree Health Care Plan (continued)

Net OPEB Liability

The City's net OPEB liability (NOL) was measured as of June 30, 2025 and the total OPEB liability (TOL) used to calculate the NOL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Net OPEB Liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions:

Actuarial method	Entry Age Normal
Discount rate	7.0% per annum. The plan is funded in an irrevocable trust maintained by the plan sponsor. The City has, on average, made contributions the last five years that, if continued in this fashion with the average contributions increased by 2% in each future year, the plan will always be sufficiently funded to pay benefits due.
Inflation	2.5% per annum
Mortality	PRI-2012 Total Dataset Mortality Table with Improvement Scale MP-2021
Marriage Assumptions	3-year spouse age difference with females assumed 3 years younger than males. 25% of participants eligible for future post-employment benefits are assumed to have an eligible spouse electing to receive plan benefits. For retired members, we have used actual marital status, as provided, and assumed all such spouses are receiving plan benefits.
Health-care cost trend rates	7% in year 1 graded downward ½% per year to 4.5% in year 6 & later
Post-65 premium reductions	It is assumed that employer-subsidized premiums will be reduced by two thirds after age 65 due to Medicare eligibility.
Assumed utilization	75% of eligible future retirees are assumed to elect plan benefits
Changes in assumptions	The mortality table improvement scale has been changed from MP-2020 to MP-2021.
Salary rate	3% per annum

Retirement Rates – for employees eligible for retirement, assumed rates are as follows:

Attained Age	Rates per 100 Participants
50	3.00
51-54	1.50
55-57	7.50
58-59	10.00
60	25.00
61-64	10.00
65	100.00

II. Detailed Notes on All Funds (continued)

J. Other Post- Employment Benefits (OPEB) (continued)

2. Retiree Health Care Plan (continued)

Withdrawal (turnover) rates – Graduated rates (see table below for sample rates):

Attained Age	Rates per 100 Participants
25	19.50
30	18.80
35	17.68
40	15.90
45	13.42
50	9.74
55	5.18

There were no changes in assumptions.

The plan's policy in regard to the allocation of invested assets is established by the City Council. The target asset allocation policy is 50% equity investments, 45% fixed income investments, and 5% cash. The long-term expected rate of return on plan investments used in the valuation was determined using a building-block method in which the City's best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighing the City's expected future real rate of return by the target asset allocation percentage and by adding expected inflation. The City's best estimates of geometric real rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return
Equities	50.0%	3.6%
Fixed income	45.0%	0.9%
Cash	5.0%	0.0%
Inflation	N/A	2.5%
Total	100.0%	7.0%

The actual rate of return, net of expenses paid from the trust, was 11.16% for the current fiscal year.

Changes in the Net OPEB Liability

	Net OPEB Liability
Balance at June 30, 2024	$ 18,600,356
Service cost	454,655
Interest	3,157,271
Difference between expected and actual experience	2,370,653
Employer contributions	(5,040,774)
Expected return on net position	(1,907,746)
Net changes	(965,941)
Balance at June 30, 2025	$ 17,634,415

The Plan's fiduciary net position was 64.3% of the Total OPEB liability as of June 30, 2025.

II. Detailed Notes on All Funds (continued)

J. Other Post- Employment Benefits (OPEB) (continued)

2. Retiree Health Care Plan (continued)

Sensitivity of the Total Pension Liability to Changes in the Discount and Trend Rates

The following presents the net OPEB liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1 % Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Net OPEB Liability	$ 24,077,957	$ 17,634,415	$ 12,375,601

The following presents the net OPEB liability of the City, calculated using the trend rates, as well as what the City's net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1 % Decrease in Trend Rate	Trend Rate	1% Increase in Trend Rate
Net OPEB Liability	$ 12,371,379	$ 17,634,415	$ 24,011,849

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized an OPEB expense of $4,537,231.

At September 30, 2025 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,133,325	$ -
Net difference between projected and actual investment earnings	927,505	(1,428,143)
	$ 4,060,830	$ (1,428,143)

II. Detailed Notes on All Funds (continued)

J. Other Post- Employment Benefits (OPEB) (continued)

2. Retiree Health Care Plan (continued)

Contributions of $1,000,000 reported as deferred outflows of resources related to OPEB result from contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability for the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	$ 2,228,061
2027	777,762
2028	(127,800)
2029	(245,336)
	$ 2,632,687

The City recognized combined OPEB expense for the City's two OPEB plans of $4,601,272.

Allocation of OPEB Items

The City allocates OPEB items between governmental activities, business-type activities, and the discretely presented component on the basis of TMRS contributions. For the governmental activities, the net OPEB liability is liquidated by the general fund and MPFDC. For the business-type activities, the net OPEB liability is liquidated by the Water & Sewer fund and the drainage fund.

Immediately following the notes, the schedule of funding progress is presented for the Texas Municipal Retirement System plan along with Retiree Health Insurance Other Postemployment Benefits plan.

L. Deferred Compensation Plans

The City offers all of its employees a defined contribution, deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). There are three plan options administered by Empower Retirement, Nationwide Retirement Solutions, and ICMA Retirement Trust. All assets and income are held in trust for the exclusive benefit of participants and their beneficiaries; therefore, it is not reported in the financial statements of the City.

The plans, available to all full-time City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Benefit provisions are contained in the plan document and were established and can be amended by the action of City Council. The City does not contribute to any of the plans.

II. Detailed Notes on All Funds (continued)

M. Commitments and Contingencies

Various claims and lawsuits are pending against the City. In the opinion of the City's management, the potential loss on all claims, if any, will not be material to the City's financial statements.

Audits of Grant Activities

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state grantor agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be material to the City's financial statements.

N. Contracts with Other Governmental Entities and Other Contracts

Water Supply

Raw water is supplied to the City through a contract between the City and the Tarrant Regional Water District (TRWD). The basic contract, which was renegotiated and approved by the TRWD and the City Council on September 10, 1979, provides for a contract period to run for the life of the bonds, which were issued by the TRWD to provide water to the City and thereafter for the life of the TRWD facilities serving the City. Water is provided to the City from the TRWD Cedar Creek Lake and Richland-Tehuacanna Reservoir. Under the contract, the City has a take-or-pay gallon requirement based on the greater of 1.3 million gallons or the average daily consumption for the previous five-year period. The rate to be charged to the City for raw water is based upon the TRWD cost of debt service, operation and maintenance expenses, and any other miscellaneous expenses in connection with its water supply facilities. These costs will be allocated on a proportionate share based upon actual water consumption of the City in relation to the actual use by the City of Fort Worth and the Trinity River Authority (TRA) after crediting the amount received by the TRWD from water sales to the City of Arlington and other customers. The current rate charged for raw water has been calculated to be $1.40014 per 1,000 gallons, with a total cost of $6,335,959 during fiscal year 2025. It is estimated that the raw water supply available to the City under the contract is adequate for the ultimate development of the City.

In addition, the City has a contract with the City of Arlington to purchase treated water up to 1.0 M.G.D. on a demand basis. The City has the option to renegotiate the Arlington water purchase contract on an as-needed basis.

Sewer Treatment

On August 23, 1974, the City Council approved a contract with the TRA to become a contracting party in the TRA's Central Regional Wastewater System, along with 19 other area cities and the Dallas/Fort Worth International Airport.

The contracting parties have agreed to pay the TRA its net cost of operation and maintenance, including debt service requirements, on the Central System. Payments made by the respective cities are pursuant to authority granted by Article 1109i, Vernon's Annotated Texas Civil Statutes, as amended, and Chapter 30, Texas Water Code, as amended, and constitute operating expenses of their waterworks and sewer systems.

The expense of operating TRA's Central System, including administrative overhead and amounts necessary to pay debt service, is paid monthly by the contracting parties based on a formula of dividing each contracting party's estimated contributing flow to the Central System for such year by the total estimated contributing flow by all contracting parties being served at the beginning of each such year, with a year-end adjustment based on actual metered contributing flow to the Central System by all contracting parties. For fiscal year 2025, the City's cost for sewer treatment under the contract was $11,233,941.

II. Detailed Notes on All Funds (continued)

N. Contracts with Other Governmental Entities and Other Contracts (continued)

Mansfield Economic Development Corporation Commitments

The Mansfield Economic Development Corporation was established to promote, encourage and incentivize economic development within the City. Since its inception, the Corporation has promoted industrial and commercial development through incentive agreements that are designed to encourage existing business expansion and new business growth within the City. Since inception, the Corporation has assisted companies in making the City their home by providing economic assistance. In return, those companies have made cumulative capital investments and created jobs within the City.

In continuance of the City's economic development program, the Corporation has made additional commitments to incentivize industry over the next several years. These commitments are generally contingent upon the industry's capital investments and creation of new jobs or other criteria determined by the Corporation. The arrangements vary in amounts and allow for reimbursements for capital costs or expansion costs incurred by the industries. These commitments require stringent performance commitments by the respective industries to qualify for the incentives. The Corporation has made commitments to be administered over the next 12 years in an amount up to $76.5 million, subject to certain conditions being met. To date, $19.9 million has been paid. These commitments and amounts may change from year to year depending upon the performance of the industries, and their ability to meet the performance standards as established by the Corporation. In the event, the Corporation deems the industries performance insufficient, the Corporation can restructure, extend, void or recover the commitments.

O. Tax Abatements

The City of Mansfield entered into 380 agreements with local businesses under the State of Texas Local Government Code 380. Under the Local Government Code, municipalities may establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and stimulate business and commercial activity in the municipality. The abatements may be granted to any business located within or promising to relocate to the City of Mansfield, Texas.

For the fiscal year ended September 30, 2025, the City of Mansfield, Texas abated property and sales taxes totaling $1,793,457 under this program, including the following tax abatement agreements:

A 100% property tax abatement to a tool manufacturer for building a manufacturing center in the industrial district. The abatement amounted to $450,632.

An 80% sales tax abatement to a home builder for materials purchased within the City of Mansfield, Texas. The abatement amounted to $45,931.

An 80% sales tax abatement to a home builder for materials purchased within the City of Mansfield, Texas. The abatement amounted to $37,392.

A 50% property tax abatement to a developer for constructing a multi-family facility within the City of Mansfield, Texas. The abatement amounted to $21,285.

A 50% property tax abatement to a developer for a residential development within the City of Mansfield, Texas. The abatement amounted to $720,562.

A 35% property tax abatement to a developer for a residential development within the City of Mansfield, Texas. The abatement amounted to $517,655.

II. Detailed Notes on All Funds (continued)

P. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's general liability and workers' compensation program is managed through the purchase of a policy through a municipal pool that is separately administered. The City's health insurance is administered through an outside provider. The City makes specified contributions for employees and their dependents under this plan. Additionally, the City also offers dental, life insurance, and accidental death and dismemberment plans through an independent provider in which the City makes specified contributions for employees only under these plans. There have been no significant reductions in insurance coverage for any of these programs since last year, and settlements have not exceeded insurance coverage for any of the past three years.

During FY 2025, the City was self-insured for Employee Benefits. Group medical benefits were administered by a third-party insurance provider. The City offers two plans with payroll deductions set aside to cover the monthly claims in addition to a health savings account (HSA). The liabilities for insurance claims reported are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. The estimated claims incurred but not reported as of September 30, 2025, totaled $1,312,000, which are recorded as a short-term liability in the General Fund accounts payable. Changes in the liability for the past three years:

Claim Year	Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability End of Year
2023	$ 1,084,000	$ 16,844,414	$ 16,454,414	$ 1,474,000
2024	1,474,000	16,666,730	16,537,730	1,603,000
2025	1,603,000	19,291,681	19,000,681	1,312,000

Q. New Accounting Pronouncements to be implemented after fiscal year 2025

In April 2025, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter.

In September 2025, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter.

GASB issued Statement No. 105, *Subsequent Events*, in December 2025. The primary objective of this Statement is to improve financial reporting requirements for subsequent events by clarifying definitions, the evaluation period, and related disclosure requirements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter

The City is in the process of evaluating the impact of these statements on its financial statements.

II. Detailed Notes on All Funds (continued)

R. Restatement of beginning balances

During fiscal year 2025, the City reevaluated the presentation of its Internal Service Fund (ISF) activity and determined that the ISF should be reported within the proprietary fund financial statements. This represents an error correction under GASB Statement No. 100, *Accounting Changes and Error Corrections*, which requires that such changes be reflected through a restatement to beginning balances of the current period rather than a retroactive restatement of prior periods. The effect of the change within the financial reporting entity is summarized in the table below.

During the City's evaluation of major fund criteria for the fiscal year ending September 30, 2025, TIRZ #2 met the quantitative thresholds for major fund reporting. TIRZ #2 was previously reported as a non-major governmental fund. The effect of the change within the financial reporting entity is summarized in the table below.

	Reporting Units Affected by Restatements of Beginning Balances			
	Government-wide	Governmental Funds		Proprietary Funds
	Governmental Activities	TIRZ #2	Non-major Governmental Funds	Internal Service Fund
September 30, 2024, as Previously Reported	$ 454,090,651	$ -	$ 9,842,080	$ -
Change in reporting unit - nonmajor to major fund	-	(5,460,606)	5,460,606	-
Error correction - internal service fund	1,287,743	-	-	1,287,743
September 30, 2024, as Restated	$ 455,378,394	$ (5,460,606)	$ 15,302,686	$ 1,287,743

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED

SEPTEMBER 30, 2025

Texas Municipal Retirement System

CITY OF MANSFIELD, TEXAS

TEXAS REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Measurement Years

	Measurement Year December 31,				
	2024	**2023**	**2022**	**2021**	**2020**
Total Pension Liability					
Service cost	$ 9,589,648	$ 9,189,372	$ 8,207,004	$ 7,528,793	$ 7,964,424
Interest (on the total pension liability)	17,295,603	16,103,615	14,798,609	13,577,606	12,756,277
Difference between expected and actual experience	2,581,811	3,239,776	5,003,181	4,765,650	(485,321)
Change of assumptions	-	(495,677)	-	-	-
Benefit payments, including refunds of employee contributions	(11,184,577)	(9,971,714)	(8,361,400)	(7,883,029)	(7,816,442)
Net Change in Total Pension Liability	18,282,485	18,065,372	19,647,394	17,989,020	12,418,938
Total Pension Liability - Beginning	257,028,621	238,963,249	219,315,855	201,326,835	188,907,897
Total Pension Liability - Ending (a)	$ 275,311,106	$ 257,028,621	$ 238,963,249	$ 219,315,855	$ 201,326,835
Plan Fiduciary Net Position					
Contributions - employer	$ 8,849,289	$ 8,242,073	$ 7,003,075	$ 6,531,736	$ 6,668,580
Contributions - employee	3,501,697	3,438,291	3,086,998	2,848,732	3,033,241
Net investment income	22,686,560	22,488,065	(15,157,547)	23,782,546	12,741,845
Benefit payments, including refunds of employee contributions	(11,184,577)	(9,971,714)	(8,361,400)	(7,883,029)	(7,816,442)
Administrative expense	(145,277)	(142,810)	(130,983)	(109,895)	(82,344)
Other	(3,398)	(998)	156,302	753	(3,213)
Net Change in Plan Fiduciary Net Position	23,704,294	24,052,907	(13,403,555)	25,170,843	14,541,667
Plan Fiduciary Net Position - Beginning	218,009,606	193,956,699	207,360,254	182,189,411	167,647,744
Plan Fiduciary Net Position - Ending (b)	$ 241,713,900	$ 218,009,606	$ 193,956,699	$ 207,360,254	$ 182,189,411
Net Pension Liability/(Asset) - Ending (a) - (b)	$ 33,597,206	$ 39,019,015	$ 45,006,550	$ 11,955,601	$ 19,137,424
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.80%	84.82%	81.17%	94.55%	90.49%
Covered-employee Payroll	$ 50,024,245	$ 49,114,761	$ 44,099,968	$ 40,696,177	$ 43,332,012
Net Pension Liability as a Percentage of Covered-employee Payroll	67.16%	79.44%	102.06%	29.38%	44.16%

TEXAS REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Measurement Years

	Measurement Year December 31,				
	2019	**2018**	**2017**	**2016**	**2015**
Total Pension Liability					
Service cost	$ 6,740,954	$ 6,781,902	$ 6,423,859	$ 6,096,131	$ 5,544,166
Interest (on the total pension liability)	11,894,334	10,919,655	10,061,815	9,139,426	8,685,074
Difference between expected and actual experience	250,026	2,214,327	863,204	1,967,131	162,133
Change of assumptions	78,667	-	-	-	(670,018)
Benefit payments, including refunds of employee contributions	(5,795,914)	(5,115,537)	(4,522,769)	(2,880,319)	(2,461,495)
Net Change in Total Pension Liability	13,168,067	14,800,347	12,826,109	14,322,369	11,259,860
Total Pension Liability - Beginning	175,739,830	160,939,483	148,113,374	133,791,005	122,531,145
Total Pension Liability - Ending (a)	$ 188,907,897	$ 175,739,830	$ 160,939,483	$ 148,113,374	$ 133,791,005
Plan Fiduciary Net Position					
Contributions - employer	$ 5,636,312	$ 5,679,463	$ 5,249,682	$ 4,818,294	$ 4,630,258
Contributions - employee	2,639,076	2,661,060	2,513,528	2,385,294	2,236,839
Net investment income	22,158,465	(4,327,905)	17,197,200	7,585,611	158,951
Benefit payments, including refunds of employee contributions	(5,795,914)	(5,115,537)	(4,522,769)	(2,880,319)	(2,461,495)
Administrative expense	(125,039)	(83,556)	(89,055)	(85,612)	(96,800)
Other	(3,756)	(4,365)	(4,513)	(4,613)	(4,781)
Net Change in Plan Fiduciary Net Position	24,509,144	(1,190,840)	20,344,073	11,818,655	4,462,972
Plan Fiduciary Net Position - Beginning	143,138,600	144,329,440	123,985,367	112,166,712	107,703,740
Plan Fiduciary Net Position - Ending (b)	$ 167,647,744	$ 143,138,600	$ 144,329,440	$ 123,985,367	$ 112,166,712
Net Pension Liability/(Asset) - Ending (a) - (b)	$ 21,260,153	$ 32,601,230	$ 16,610,043	$ 24,128,007	$ 21,624,293
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.75%	81.45%	89.68%	83.71%	83.84%
Covered-employee Payroll	$ 37,701,084	$ 38,015,147	$ 35,907,541	$ 34,075,932	$ 31,954,849
Net Pension Liability as a Percentage of Covered-employee Payroll	56.39%	85.76%	46.26%	70.81%	67.67%

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SCHEDULE OF CONTRIBUTIONS

Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 9,749,916	$ 8,947,109	$ 8,074,011	$ 7,087,887	$ 6,495,583
Contributions in relation to the actuarially determined contribution	9,749,916	8,947,109	8,074,011	7,087,887	6,495,583
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 53,469,686	$ 50,578,787	$ 48,143,372	$ 44,116,485	$ 40,588,706
Contributions as a percentage of covered-employee payroll	18.23%	17.69%	16.77%	16.07%	16.00%

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 6,393,535	$ 5,672,743	$ 5,648,240	$ 5,155,157	$ 5,048,183
Contributions in relation to the actuarially determined contribution	6,393,535	5,672,743	5,648,240	5,155,157	5,048,183
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 41,396,691	$ 37,574,173	$ 37,541,117	$ 35,161,865	$ 35,121,057
Contributions as a percentage of covered-employee payroll	15.44%	15.10%	15.05%	14.66%	14.37%

Notes to Schedule of Contributions

Valuation Date: Actuarially determined contribution rates are calculated as of December 31, and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period:	21 years
Asset Valuation Method	10 Year Smoothed Market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information: Adopted 70% non-retroactive repeating COLA.

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED

SEPTEMBER 30, 2025

Texas Municipal Retirement System – Supplemental Death Benefits

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - SDBF
Last Eight Measurement Years

	Measurement Year December 31,			
	2024	**2023**	**2022**	**2021**
Total OPEB Liability - SDBF				
Service cost	$ 50,024	$ 49,115	$ 92,610	$ 81,392
Interest (on the Total OPEB liability - SDBF)	50,843	48,740	33,215	33,306
Difference between expected and actual experience	(15,793)	10,595	(9,464)	(17,046)
Change of assumptions or other inputs	(76,114)	70,959	(665,898)	60,000
Benefit payments*	(35,017)	(34,380)	(26,460)	(20,348)
Net Change in Total OPEB Liability	(26,057)	145,029	(575,997)	137,304
Total OPEB Liability - Beginning	1,341,118	1,196,089	1,772,086	1,634,782
Total OPEB Liability - Ending	$ 1,315,061	$ 1,341,118	$ 1,196,089	$ 1,772,086
Covered Payroll	$ 50,024,245	$ 49,114,761	$ 44,099,969	$ 40,696,177
Total OPEB Liability- SDBF as a Percentage of Covered Payroll	2.63%	2.73%	2.71%	4.35%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2025, only 8 years are included and additional years will be added as the information becomes available.

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS – SDBF
Last Eight Measurement Years

	Measurement Year December 31,			
	2020	**2019**	**2018**	**2017**
Total OPEB Liability - SDBF				
Service cost	$ 77,998	$ 49,011	$ 57,023	$ 46,680
Interest (on the Total OPEB liability)	36,029	44,513	34,935	33,578
Difference between expected and actual experience	14,866	(203,949)	145,354	-
Change of assumptions or other inputs	239,091	214,351	(81,348)	89,076
Benefit payments*	(8,666)	(7,540)	(7,603)	(7,182)
Net Change in Total OPEB Liability	359,318	96,386	148,361	162,152
Total OPEB Liability - Beginning	1,275,464	1,179,078	1,030,717	868,565
Total OPEB Liability - Ending	$ 1,634,782	$ 1,275,464	$ 1,179,078	$ 1,030,717
Covered Payroll	$ 43,332,012	$ 37,701,084	$ 38,015,147	$ 35,907,541
Total OPEB Liability- SDBF as a Percentage of Covered Payroll	3.77%	3.38%	3.10%	2.87%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2025, only 8 years are included and additional years will be added as the information becomes available.

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CONTRIBUTIONS
Last Eight Fiscal Years

	2025	2024	2023	2022
Actuarially determined contribution	$ 37,429	$ 35,405	$ 33,700	$ 26,470
Contributions in relation to the actuarially determined contribution	37,429	35,405	33,700	26,470
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 53,469,686	$ 50,578,787	$ 48,143,372	$ 44,116,485
Contributions as a percentage of covered payroll	0.07%	0.07%	0.07%	0.06%

	2021	2020	2019	2018
Actuarially determined contribution	$ 20,294	$ 8,279	$ 7,508	$ 7,032
Contributions in relation to the actuarially determined contribution	20,294	8,279	7,508	7,032
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 40,588,706	$ 41,396,691	$ 37,541,117	$ 35,161,865
Contributions as a percentage of covered payroll	0.05%	0.02%	0.02%	0.02%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2025, only 8 years are included and additional years will be added as the information becomes available.

CITY OF MANSFIELD, TEXAS

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes:	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Summary of Actuarial Assumptions:

Inflation: 2.5%	
Salary Increases:	3.60% to 11.85% including inflation
Discount Rate:	4.08%*
Retirees' Share of Benefit-Related Costs:	$0
Administrative Expenses:	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality Rates – Service Retirees:	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality Rates – Disabled Retirees:	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who became disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

Other Information:

Notes	No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.

Note: The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Discount Rate - SDBF

Last Eight Measurement Years

	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Discount Rate	4.08%	3.77%	4.05%	1.84%

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Discount Rate	2.00%	2.75%	3.71%	3.31%

MANSFIELD
TEXAS

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED

JUNE 30, 2025

Retiree Health Insurance Plan – Trust

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY
Last Eight Measurement Years

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Total OPEB Liability				
Service Cost	$ 454,655	$ 430,914	$ 415,131	$ 210,638
Interest (on the Total OPEB liability)	3,157,271	3,122,321	2,869,583	2,665,007
Difference between expected and actual experience	3,597,315	974,275	3,803,463	2,217,915
Changes in assumptions	-	-	-	-
Plan benefit changes	-	-	-	-
Benefit payments	(4,040,774)	(3,657,997)	(3,407,679)	(2,888,666)
Net Change	3,168,467	869,513	3,680,498	2,204,894
Total OPEB Liability - Beginning	46,188,328	45,318,815	41,638,317	39,433,423
Total OPEB Liability - Ending (a)	$ 49,356,795	$ 46,188,328	$ 45,318,815	$ 41,638,317
Plan Fiduciary Net Position				
City contributions	$ 5,040,774	$ 4,657,997	$ 4,407,679	$ 3,638,666
Net investment income	3,252,425	2,542,953	1,535,083	(2,742,617)
Benefit payments	(4,040,774)	(3,657,997)	(3,407,679)	(2,888,666)
Administrative Expense	(118,017)	(105,243)	(96,506)	(101,358)
Net Change in Plan Fiduciary Net Position	4,134,408	3,437,710	2,438,577	(2,093,975)
Plan Fiduciary Net Position - Beginning	27,587,972	24,150,262	21,711,685	23,805,660
Plan Fiduciary Net Position - Ending (b)	$ 31,722,380	$ 27,587,972	$ 24,150,262	$ 21,711,685
Net OPEB Liability (a-b)	$ 17,634,415	$ 18,600,356	$ 21,168,553	$ 19,926,632
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	64.27%	59.73%	53.29%	52.14%
Covered Employee Payroll	$ 52,712,148	$ 49,568,659	$ 46,639,904	$ 43,487,708
Net OPEB Liability as a Percentage of Covered Employee Payroll	33.45%	37.52%	45.39%	45.82%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of June 30, 2025, only 8 years are included and additional years will be added as the information becomes available.

Note: The City amended this plan in fiscal year 2021 resulting in a decrease in the net OPEB liability at year end and resulting in a deferred inflow of resources - plan benefit changes. The change requires all retirees and their spouses on the health insurance plan, upon turning 65, must obtain medical coverage through Medicare. The City provides a monthly allowance to offset the cost of Medicare for retirees and their spouses over the age of 65.

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY
Last Eight Measurement Years

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability				
Service Cost	$ 587,134	$ 607,995	$ 568,220	$ 532,526
Interest (on the Total OPEB liability)	4,485,797	4,048,664	3,333,223	3,214,381
Difference between expected and actual experience	816,245	5,583,748	8,760,461	(1,436,903)
Changes in assumptions	-	(1,186,827)	-	-
Plan benefit changes	(29,284,676)	-	-	-
Benefit payments	(2,588,413)	(2,628,940)	(2,441,311)	(353,235)
Net Change	(25,983,913)	6,424,640	10,220,593	1,956,769
Total OPEB Liability - Beginning	65,417,336	58,992,696	48,772,103	46,815,334
Total OPEB Liability - Ending (a)	$ 39,433,423	$ 65,417,336	$ 58,992,696	$ 48,772,103
Plan Fiduciary Net Position				
City contributions	$ 4,998,413	$ 2,628,940	$ 7,261,311	$ 1,848,035
Net investment income	3,828,049	764,088	959,456	571,467
Benefit payments	(2,588,413)	(2,628,940)	(2,441,311)	(353,235)
Administrative Expense	(92,803)	(80,301)	(66,652)	(56,673)
Net Change in Plan Fiduciary Net Position	6,145,246	683,787	5,712,804	2,009,594
Plan Fiduciary Net Position - Beginning	17,660,414	16,976,627	11,263,823	9,254,229
Plan Fiduciary Net Position - Ending (b)	$ 23,805,660	$ 17,660,414	$ 16,976,627	$ 11,263,823
Net OPEB Liability (a-b)	$ 15,627,763	$ 47,756,922	$ 42,016,069	$ 37,508,280
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	60.37%	27.00%	28.78%	23.09%
Covered Employee Payroll	$ 41,363,692	$ 40,045,739	$ 37,717,964	$ 36,940,838
Net OPEB Liability as a Percentage of Covered Employee Payroll	37.78%	119.26%	111.40%	101.54%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of June 30, 2025, only 8 years are included and additional years will be added as the information becomes available.

Note: The City amended this plan in fiscal year 2021 resulting in a decrease in the net OPEB liability at year end and resulting in a deferred inflow of resources - plan benefit changes. The change requires all retirees and their spouses on the health insurance plan, upon turning 65, must obtain medical coverage through Medicare. The City provides a monthly allowance to offset the cost of Medicare for retirees and their spouses over the age of 65.

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED

SCHEDULE OF CONTRIBUTIONS

Last Eight Fiscal Years

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Actuarially determined contribution	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 750,000
Contributions paid by the City into the trust	1,000,000	1,000,000	1,000,000	750,000
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 52,712,148	$ 49,568,659	$ 46,639,904	$ 43,487,708
Contributions as a percentage of covered payroll	1.90%	2.02%	2.14%	1.72%

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution	$ 2,410,000	$ -	$ 4,820,000	$ 1,494,800
Contributions paid by the City into the trust	2,410,000	-	4,820,000	1,494,800
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 41,363,692	$ 40,045,739	$ 37,717,964	$ 36,940,838
Contributions as a percentage of covered payroll	5.83%	0.00%	12.78%	4.05%

The NOL in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions:

Actuarial method	Entry Age Normal
Discount rate	7.0% per annum. The plan is funded in an irrevocable trust maintained by the plan sponsor. The City has, on average, made contributions the last five years that, if continued in this fashion, the plan will always be sufficiently funded to pay benefits due.
Inflation	2.5% per annum
Mortality	Pri-2012 Total Dataset Mortality Table with Improvement Scale MP-2021.
Marriage Assumptions	3-year spouse age difference with females assumed 3 years younger than males. 25% of participants eligible for future post-employment benefits are assumed to have an eligible spouse electing to receive plan benefits. For retired members, we have used actual marital status, as provided, and assumed all such spouses are receiving plan benefits.
Health-care cost trend rates	7% in year 1 graded downward ½% per year to 4.5% in year 6 & later
Post-65 premium reductions	The City requires retirees and their spouses (if applicable) to enroll in a Medicare plan and the City will reimburse 100% of the premium costs.
Assumed utilization	75% of eligible future retirees are assumed to elect plan benefits

Retirement Rate

Attained Age	Rates per 100 Participants
50	3.00
51-54	1.50
55-57	7.50
58-59	10.00
60	25.00
61-64	10.00
65	100.00

Withdrawal Rate

Attained Age	Rates per 100 Participants
25	19.50
30	18.80
35	17.68
40	15.90
45	13.42
50	9.74
55	5.18

Other Information:

Notes Assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Required Supplementary Information - Unaudited

City of Mansfield, Texas
Schedule of Investment Returns - OPEB
Last Eight Measurement Years

Plan Year	Annual Money - Weighted Rate of Return
2018	5.10%
2019	6.50%
2020	4.00%
2021	19.80%
2022	-11.80%
2023	6.48%
2024	9.89%
2025	11.16%

The information in this schedule has been determined as of the measurement date (June 30) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL – GENERAL FUND
For the Year Ended September 30, 2025

	Budgeted Amounts			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes:				
Property	$ 56,549,839	$ 56,549,839	$ 51,523,178	$ (5,026,661)
Sales	20,600,448	20,600,448	21,721,674	1,121,226
Franchise	4,218,192	4,218,192	4,545,041	326,849
Mixed drink	345,000	345,000	365,262	20,262
Licenses and permits	2,903,888	2,903,888	3,810,959	907,071
Charges for services	7,409,128	7,409,128	9,674,961	2,265,833
Fines and forfeitures	903,500	903,500	1,425,473	521,973
Investment earnings	300,000	300,000	928,329	628,329
Contributions and grants	350,000	350,000	1,038,333	688,333
Miscellaneous	928,927	928,927	2,698,373	1,769,446
Total Revenues	94,508,922	94,508,922	97,731,583	3,222,661
Expenditures				
Current:				
General government	31,776,179	30,977,596	29,483,349	1,494,247
Public safety	48,890,428	49,689,011	52,212,479	(2,523,468)
Public works	8,350,346	8,350,346	7,816,888	533,458
Culture and recreation	6,464,262	6,464,262	5,672,086	792,176
Debt service:				
Principal retirement	-	-	858,091	(858,091)
Interest and fiscal charges	1,546,756	1,546,756	1,337,676	209,080
Bond issuance costs	-	-	33,231	(33,231)
Capital outlay	-	-	2,908,372	(2,908,372)
Total Expenditures	97,027,971	97,027,971	100,322,172	(3,294,201)
Excess (deficiency) of revenues over expenditures	(2,519,049)	(2,519,049)	(2,590,589)	(71,540)
Other Financing Sources (Uses)				
Issuance of bonds	-	-	3,633,211	3,633,211
Issuance of refunding bonds	-	-	41,379	41,379
Premium/(Discount) on issuance of bonds	-	-	410,365	410,365
Sale of general capital assets	20,000	20,000	847,467	827,467
Transfers in	6,816,061	6,816,061	-	(6,816,061)
Transfers out	(4,317,012)	(4,317,012)	(1,453,690)	2,863,322
Total Other Financing Sources (Uses)	2,519,049	2,519,049	3,478,732	959,683
Net change in fund balances	-	-	888,143	888,143
Fund Balances Beginning	37,448,312	37,448,312	37,448,312	-
Fund Balances Ending	$ 37,448,312	$ 37,448,312	$ 38,336,455	$ 888,143

See accompanying notes to required supplementary information.

Stewardship, compliance, and accountability

Budgetary information

As set forth in the City Charter, the City Council adopts an annual budget prepared in accordance with GAAP. The City Manager may transfer part or all of any unencumbered appropriation balance among programs within a specific fund; however, any revisions that alter the total expenditures of the fund must be approved by the City Council. The City, for management purposes, adopts budgets for all funds except Special Revenue, Trust, and Capital Projects, which the use of these funds is legally restricted for a designated purpose. Legal budgets are adopted for the General Fund and the Debt Service Funds; the legal level of control is the fund level.

The City is prohibited from deficit spending as defined by the City's Charter. The City's General Fund fund balance as of September 30, 2025, is $38,336,455.

The Capital Projects are funded through the issuance of general obligation debt authorized for a specific purpose. Trust Funds are restricted by legal authorization, which created the trust.

All unused appropriations, except appropriations for capital expenditures, lapse at the close of the fiscal year to the extent they have not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation. Revenues in the general fund were more than budget by $3,222,661 and expenditures were more than budget by $(3,294,201), while other financing sources (uses), net, were more than budget by $959,683.

Non-major Governmental Funds

Special Revenue Funds

- Hotel/Motel Tax Fund – This fund is used to account for Hotel/Motel tax revenues that are restricted to expenditure for the promotion of tourism, historical preservation, and the performing arts in the City.
- Grants Fund – This fund is used to account for contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.
- American Rescue Plan Act - This fund is used to account for the Coronavirus State and Local Fiscal Recovery Funds program grant.
- South Pointe PID – This fund is used to account for the public improvement assessments of the South Pointe Public Improvement District.
- Starlin PID – This fund is used to account for the public improvement assessments of the Starlin Public Improvement District.
- Staybolt PID – This fund is used to account for the public improvement assessments of the Staybolt Public Improvement District.

Other Special Revenue Funds

- Special Revenue Funds are used to account for specific revenues that are legally restricted to be expended for particular purposes. The following funds are combined into a single column for reporting purposes.
- COPS Grant Fund – This fund is used to account for the purchase of equipment used to reduce crime and improve public safety.
- Police Fund – This fund is used to account for contributions or drug forfeitures that are restricted to expenditure for police drug enforcement or the operations of the specific activity receiving the donation.
- Mansfield Municipal Court Fund – This fund is used to account for revenues that are restricted to promote child safety awareness in the community and to provide a safe and secure courtroom environment for all court participants.
- Tree Mitigation Fund – This fund is used to account for revenues that are restricted to expenditure for the preservation of trees and tree replacement in the City.
- Library Fund – This fund is used to account for contributions or gifts from individuals to be used or expended for Library operations, primarily for the purchase of books.
- Animal Control – This fund is used to account for contributions to be used for special medical needs and spaying/neutering assistance for adoptable animals.

Debt Service Fund

- Mansfield Parks Facility Development Corporation Debt Service – This fund is used to account for the principal and interest payments on the MPFDC outstanding bonds.

Non-major Governmental Funds

Capital Projects Funds

- TIRZ #1 Fund – This fund is used to account for the development, construction, improvements, and acquisition of land within a boundary that encompasses 3,100 acres of mixed-use property.
- TIRZ #3 Fund - This fund is used to account for the development, construction, and improvements in the City's Starlin Ranch area.
- TIRZ #4 Fund – This fund is used to account for the development, construction, improvements, and acquisition of land within a boundary that encompasses 359.4 acres of mixed-use property.
- Equipment Replacement Fund – This fund is used to account for the acquisition of vehicles, machinery, and equipment for use by City departments.
- Public Art - This fund is used to account for public art in accordance with the City's Public Art Master Plan.
- Parks Construction Fund – This fund is used to account for the construction of new parks within the City.
- Mansfield Public Facility Corporation - This fund is used to account for financial resources used in the financing, refinancing, acquisition, and construction of "public facilities".

OTHER SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Hotel/Motel Tax Fund	Grants Fund	American Rescue Plan Act	South Pointe PID
Assets				
Cash and cash equivalents	$ 2,664,951	$ -	$ 324,767	$ 401,669
Investments	683,245	-	581,677	-
Receivables, net of allowance:				
Property taxes	-	-	-	5,639
Other taxes receivable	130,349	-	-	-
Other receivables	-	249,969	-	-
Total Assets	$ 3,478,545	$ 249,969	$ 906,444	$ 407,308
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	$ 7,088	$ 99,997	$ 259,060	$ 14,038
Accrued wages and benefits	5,078	-	-	-
Due to other funds	-	98,768	-	-
Retainage payable	-	-	-	-
Unearned revenue	-	-	255,203	-
Total Liabilities	12,166	198,765	514,263	14,038
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	5,639
Unavailable revenue - grants	-	111,974	-	-
Total Deferred Inflows of Resources	-	111,974	-	5,639
Fund Balances				
Restricted	3,466,379	-	392,181	387,631
Committed	-	-	-	-
Unassigned	-	(60,770)	-	-
Total Fund Balances	3,466,379	(60,770)	392,181	387,631
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 3,478,545	$ 249,969	$ 906,444	$ 407,308

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Starlin PID	Staybolt PID	Other Special Revenue Funds	Mansfield Parks Facility Development Corporation Debt Service
Assets				
Cash and cash equivalents	$ -	$ -	$ 2,457,844	$ 570,581
Investments	-	9,607,484	30,762	-
Receivables, net of allowance:				
Property taxes	-	-	-	-
Other taxes receivable	-	-	-	-
Other receivables	-	-	756	-
Total Assets	$ -	$ 9,607,484	$ 2,489,362	$ 570,581
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	$ -	$ -	$ 43,383	$ -
Accrued wages and benefits	-	-	340	-
Due to other funds	2,006	-	-	-
Retainage payable	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	2,006	-	43,723	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - grants	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted	-	9,607,484	2,102,111	570,581
Committed	-	-	343,528	-
Unassigned	(2,006)	-	-	-
Total Fund Balances	(2,006)	9,607,484	2,445,639	570,581
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ -	$ 9,607,484	$ 2,489,362	$ 570,581

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	TIRZ #1	TIRZ #2	TIRZ #3	TIRZ #4
Assets				
Cash and cash equivalents	$ 37,800	$ -	$ -	$ 22,566
Investments	5,943,740	-	-	-
Receivables, net of allowance:				
Property taxes	115,597	-	-	-
Other taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Total Assets	$ 6,097,137	$ -	$ -	$ 22,566
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	$ 971,283	$ -	$ -	$ 29,800
Accrued wages and benefits	-	-	-	-
Due to other funds	-	-	495	4,539,757
Retainage payable	312,485	-	-	-
Unearned revenue	-	-	-	22,566
Total Liabilities	1,283,768	-	495	4,592,123
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - grants	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted	4,813,369	-	-	-
Committed	-	-	-	-
Unassigned	-	-	(495)	(4,569,557)
Total Fund Balances	4,813,369	-	(495)	(4,569,557)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 6,097,137	$ -	$ -	$ 22,566

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Equipment Replacement Fund	Public Art	Parks Construction Fund	Mansfield Public Facility Corporation
Assets				
Cash and cash equivalents	$ 2,825,269	$ 20,057	$ 1,502,740	$ 404,490
Investments	3,175,918	1,900,209	-	-
Receivables, net of allowance:				
Property taxes	-	-	-	-
Other taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Total Assets	$ 6,001,187	$ 1,920,266	$ 1,502,740	$ 404,490
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	$ 15,570	$ -	$ 1,252,024	$ -
Accrued wages and benefits	-	-	-	-
Due to other funds	-	-	-	-
Retainage payable	17,968	-	247,142	-
Unearned revenue	-	-	-	-
Total Liabilities	33,538	-	1,499,166	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - grants	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted	5,967,649	1,920,266	3,574	404,490
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	5,967,649	1,920,266	3,574	404,490
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 6,001,187	$ 1,920,266	$ 1,502,740	$ 404,490

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Total Non-major Governmental Funds
Assets	
Cash and cash equivalents	$ 11,232,734
Investments	21,923,035
Receivables, net of allowance:	
Property taxes	121,236
Other taxes receivable	130,349
Other receivables	250,725
Total Assets	$ 33,658,079
Liabilities, Deferred Inflows of Resources, and Fund Balances:	
Liabilities	
Accounts payable	$ 2,692,243
Accrued wages and benefits	5,418
Due to other funds	4,641,026
Retainage payable	577,595
Unearned revenue	277,769
Total Liabilities	8,194,051
Deferred Inflows of Resources	
Unavailable revenue - property taxes	5,639
Unavailable revenue - grants	111,974
Total Deferred Inflows of Resources	117,613
Fund Balances	
Restricted	29,635,715
Committed	343,528
Unassigned	(4,632,828)
Total Fund Balances	25,346,415
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 33,658,079

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Hotel/Motel Tax Fund	Grants Fund	American Rescue Plan Act	South Pointe PID
Revenues				
Taxes:				
Property	$ -	$ -	$ -	$ 942,515
Sales	-	-	-	-
Hotel/motel	1,147,738	-	-	-
Charges for services	7,445	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	73,720	546	114,227	10,054
Contributions and grants	-	351,880	4,651,888	-
Miscellaneous	61,701	-	-	-
Total Revenues	1,290,604	352,426	4,766,115	952,569
Expenditures				
Current:				
General government	501,160	122,130	172,300	-
Public safety	-	24,115	-	-
Culture and recreation	-	2,160	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	758,031
Bond issuance costs	-	-	-	-
Capital outlay	-	316,131	4,465,756	-
Total Expenditures	501,160	464,536	4,638,056	758,031
Excess (deficiency) of revenues over expenditures	789,444	(112,110)	128,059	194,538
Other Financing Sources (Uses)				
Issuance of bonds	-	-	-	-
Premium/(Discount) on issuance of bonds	-	-	-	-
Sale of general capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(13,831)	-
Total Other Financing Sources (Uses)	-	-	(13,831)	-
Net change in fund balances	789,444	(112,110)	114,228	194,538
Fund Balances - Beginning of Year, as Previously Reported	2,676,935	51,340	277,953	193,093
Change in reporting unit	-	-	-	-
Fund Balances - Beginning of Year, as Restated	2,676,935	51,340	277,953	193,093
Fund Balances - End of Year	$ 3,466,379	$ (60,770)	$ 392,181	$ 387,631

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Starlin PID	Staybolt PID	Other Special Revenue Funds	Mansfield Parks Facility Development Corporation Debt Service
Revenues				
Taxes:				
Property	$ -	$ -	$ -	$ -
Sales	-	-	-	2,803,405
Hotel/motel	-	-	-	-
Charges for services	-	-	128,160	-
Fines and forfeitures	-	-	39,931	-
Investment earnings	-	2,068	43,210	22,660
Contributions and grants	5,439	1,200,000	25,246	-
Miscellaneous	-	-	103,053	-
Total Revenues	5,439	1,202,068	339,600	2,826,065
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	99,715	-
Culture and recreation	-	-	4,823	-
Debt service:				
Principal retirement	-	-	-	1,735,000
Interest and fiscal charges	-	-	8,648	1,067,166
Bond issuance costs	-	707,036	-	-
Capital outlay	-	-	33,238	-
Total Expenditures	-	707,036	146,424	2,802,166
Excess (deficiency) of revenues over expenditures	5,439	495,032	193,176	23,899
Other Financing Sources (Uses)				
Issuance of bonds	-	9,165,000	-	-
Premium/(Discount) on issuance of bonds	-	(52,548)	-	-
Sale of general capital assets	-	-	13,100	-
Transfers in	-	-	498,073	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	9,112,452	511,173	-
Net change in fund balances	5,439	9,607,484	704,349	23,899
Fund Balances - Beginning of Year, as Previously Reported	(7,445)	-	1,741,290	546,682
Change in reporting unit	-	-	-	-
Fund Balances - Beginning of Year, as Restated	(7,445)	-	1,741,290	546,682
Fund Balances - End of Year	$ (2,006)	$ 9,607,484	$ 2,445,639	$ 570,581

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	TIRZ #1	TIRZ #2	TIRZ #3	TIRZ #4
Revenues				
Taxes:				
Property	$ 6,530,457	$ -	$ -	$ 8,637
Sales	-	-	-	-
Hotel/motel	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	468,875	-	-	-
Contributions and grants	-	-	-	-
Miscellaneous	299	-	-	18,309
Total Revenues	6,999,631	-	-	26,946
Expenditures				
Current:				
General government	10,117,752	-	-	1,640,901
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	62,147	-	-	-
Capital outlay	8,627,889	-	-	-
Total Expenditures	18,807,788	-	-	1,640,901
Excess (deficiency) of revenues over expenditures	(11,808,157)	-	-	(1,613,955)
Other Financing Sources (Uses)				
Issuance of bonds	6,794,698	-	-	-
Premium/(Discount) on issuance of bonds	767,449	-	-	-
Sale of general capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(722,545)	-	-	-
Total Other Financing Sources (Uses)	6,839,602	-	-	-
Net change in fund balances	(4,968,555)	-	-	(1,613,955)
Fund Balances - Beginning of Year, as Previously Reported	9,781,924	(5,460,606)	(495)	(2,955,602)
Change in reporting unit	-	5,460,606	-	-
Fund Balances - Beginning of Year, as Restated	9,781,924	-	(495)	(2,955,602)
Fund Balances - End of Year	$ 4,813,369	$ -	$ (495)	$ (4,569,557)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Equipment Replacement Fund	Public Art	Parks Construction Fund	Mansfield Public Facility Corporation
Revenues				
Taxes:				
Property	$ -	$ -	$ -	$ -
Sales	-	-	-	-
Hotel/motel	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	197,131	65,563	333	7,823
Contributions and grants	-	20,000	-	-
Miscellaneous	184	57	-	-
Total Revenues	197,315	85,620	333	7,823
Expenditures				
Current:				
General government	215,909	-	-	3,333
Public safety	212,383	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	38,153	11,932	-	-
Capital outlay	4,098,048	-	2,070,069	-
Total Expenditures	4,564,493	11,932	2,070,069	3,333
Excess (deficiency) of revenues over expenditures	(4,367,178)	73,688	(2,069,736)	4,490
Other Financing Sources (Uses)				
Issuance of bonds	4,171,415	1,304,582	-	-
Premium/(Discount) on issuance of bonds	471,154	147,350	-	-
Sale of general capital assets	103,979	-	-	-
Transfers in	2,819,417	-	2,639,807	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	7,565,965	1,451,932	2,639,807	-
Net change in fund balances	3,198,787	1,525,620	570,071	4,490
Fund Balances - Beginning of Year, as Previously Reported	2,768,862	394,646	(566,497)	400,000
Change in reporting unit	-	-	-	-
Fund Balances - Beginning of Year, as Restated	2,768,862	394,646	(566,497)	400,000
Fund Balances - End of Year	$ 5,967,649	$ 1,920,266	$ 3,574	$ 404,490

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Total Non-major Governmental Funds
Revenues	
Taxes:	
Property	$ 7,481,609
Sales	2,803,405
Hotel/motel	1,147,738
Charges for services	135,605
Fines and forfeitures	39,931
Investment earnings	1,006,210
Contributions and grants	6,254,453
Miscellaneous	183,603
Total Revenues	19,052,554
Expenditures	
Current:	
General government	12,773,485
Public safety	336,213
Culture and recreation	6,983
Debt service:	
Principal retirement	1,735,000
Interest and fiscal charges	1,833,845
Bond issuance costs	819,268
Capital outlay	19,611,131
Total Expenditures	37,115,925
Excess (deficiency) of revenues over expenditures	(18,063,371)
Other Financing Sources (Uses)	
Issuance of bonds	21,435,695
Premium/(Discount) on issuance of bonds	1,333,405
Sale of general capital assets	117,079
Transfers in	5,957,297
Transfers out	(736,376)
Total Other Financing Sources (Uses)	28,107,100
Net change in fund balances	10,043,729
Fund Balances - Beginning of Year, as Previously Reported	9,842,080
Change in reporting unit	5,460,606
Fund Balances - Beginning of Year, as Restated	15,302,686
Fund Balances - End of Year	$ 25,346,415

CITY OF MANSFIELD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Taxes:				
Property taxes	$ 22,633,200	$ 22,633,200	$ 26,424,152	$ 3,790,952
Interest earnings	-	-	327,830	327,830
Miscellaneous	-	-	38,164	38,164
Total Revenues	22,633,200	22,633,200	26,790,146	4,156,946
Expenditures				
Debt service:				
Principal	10,775,000	10,775,000	15,775,000	(5,000,000)
Interest	11,858,200	11,858,200	15,682,856	(3,824,656)
Fiscal charges	-	-	181,881	(181,881)
Total Expenditures	22,633,200	22,633,200	31,639,737	(9,006,537)
Deficiency of revenues over expenditures	-	-	(4,849,591)	(4,849,591)
Other Financing Sources (Uses)				
Escrow for current refunding	-	-	(11,527,773)	11,527,773
Bonds issued	-	-	14,246,046	(14,246,046)
Premium on bonds issued	-	-	1,357,905	(1,357,905)
Total Other Financing Sources (Uses)	-	-	4,076,178	(4,076,178)
Net changes in fund balance	-	-	(773,413)	(773,413)
Fund Balances Beginning	7,443,153	7,443,153	7,443,153	-
Fund Balances Ending	$ 7,443,153	$ 7,443,153	$ 6,669,740	$ (773,413)

CITY OF MANSFIELD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STREET CONSTRUCTION
For the Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Interest earnings	$ -	$ -	$ 2,877,915	$ 2,877,915
Impact fees	1,500,000	1,500,000	4,818,506	3,318,506
Miscellaneous	-	-	4,076,668	4,076,668
Total Revenues	1,500,000	1,500,000	11,773,089	10,273,089
Expenditures				
Public works	1,011,062	1,011,062	71,581	939,481
Bond issuance cost	-	-	281,732	(281,732)
Capital outlay	42,235,299	42,235,299	27,316,782	14,918,517
Total Expenditures	43,246,361	43,246,361	27,670,095	15,576,266
Deficiency of revenues over expenditures	(41,746,361)	(41,746,361)	(15,897,006)	(5,303,177)
Other Financing Sources (Uses)				
Bonds issued	38,739,650	38,739,650	30,802,630	7,937,020
Premium on bonds issued	-	-	3,479,102	(3,479,102)
Transfers in	(1,500,000)	(1,500,000)	-	(1,500,000)
Transfers out	4,506,711	4,506,711	-	4,506,711
Total Other Financing Sources (Uses)	41,746,361	41,746,361	34,281,732	7,464,629
Net changes in fund balance	-	-	18,384,726	2,161,452
Fund Balances Beginning	46,650,574	46,650,574	46,650,574	-
Fund Balances Ending	$ 46,650,574	$ 46,650,574	$ 65,035,300	$ 2,161,452

CITY OF MANSFIELD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUILDING CONSTRUCTION
For the Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Interest earnings	$ -	$ -	$ 5,035,635	$ 5,035,635
Miscellaneous	-	-	3,930	3,930
Total Revenues	-	-	5,039,565	5,039,565
Expenditures				
General government	10,387	10,387	1,678,564	(1,668,177)
Public safety	-	-	250,179	(250,179)
Culture and recreation	-	-	14,606	(14,606)
Bond issuance cost	-	-	843,247	(843,247)
Capital outlay	-	-	46,760,042	(46,760,042)
Total Expenditures	10,387	10,387	49,546,638	(49,536,251)
Deficiency of revenues over expenditures	(10,387)	(10,387)	(44,507,073)	(44,496,686)
Other Financing Sources (Uses)				
Transfer in	-	-	117,826	117,826
Issuance of bonds	168,721,884	168,721,884	91,622,418	(77,099,466)
Premium on bonds issued	-	-	10,291,068	10,291,068
Total Other Financing Sources (Uses)	168,721,884	168,721,884	102,031,312	(66,690,572)
Net changes in fund balance	168,711,497	168,711,497	57,524,239	(111,187,258)
Fund Balances Beginning	44,413,205	44,413,205	44,413,205	-
Fund Balances Ending	$ 213,124,702	$ 213,124,702	$ 101,937,444	$ (111,187,258)

CITY OF MANSFIELD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – MANSFIELD PARKS FACILITY DEVELOPMENT CORPORATION
For the Year Ended September 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Sales tax	$ 7,499,307	$ 7,499,307	$ 8,040,920	$ 541,613
Charges for services	2,427,384	2,427,384	2,021,856	(405,528)
Interest earnings	250,000	250,000	1,444,667	1,194,667
Contributions and donations	12,300	12,300	67,371	55,071
Impact fees	-	-	1,622,400	1,622,400
Miscellaneous	61,000	61,000	104,834	43,834
Total Revenues	10,249,991	10,249,991	13,302,048	3,052,057
Expenditures				
Culture and recreation	9,924,141	9,924,141	6,686,266	3,237,875
Debt service:				
Principal retirement	-	-	6,527	(6,527)
Interest and fiscal charges	73,689	73,689	70,776	2,913
Capital outlay	267,000	267,000	848,101	(581,101)
Total Expenditures	10,264,830	10,264,830	7,611,670	2,653,160
Excess (deficiency) of revenues over expenditures	(14,839)	(14,839)	5,690,378	5,705,217
Other Financing Sources (Uses)				
Transfers in	309,975	309,975	721,823	411,848
Sale of city property	-	-	24,603	24,603
Total Other Financing Sources (Uses)	309,975	309,975	746,426	436,451
Net change in fund balance	295,136	295,136	6,436,804	6,141,668
Fund Balances Beginning	14,400,959	14,400,959	14,400,959	-
Fund Balances Ending	$ 14,696,095	$ 14,696,095	$ 20,837,763	$ 6,141,668

CITY OF MANSFIELD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – MANSFIELD PARKS FACILITIES DEVELOPMENT CORPORATION
DEBT SERVICE FUND
For the Year Ended September 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Sales taxes	$ 2,800,917	$ 2,800,917	$ 2,803,405	$ 2,488
Interest earnings	-	-	22,660	22,660
Total Revenues	2,800,917	2,800,917	2,826,065	25,148
Expenditures				
Debt service:				
Principal retirement	1,735,000	1,735,000	1,735,000	-
Interest and fiscal charges	1,065,917	1,065,917	1,067,166	(1,249)
Total Expenditures	2,800,917	2,800,917	2,802,166	(1,249)
Net change in fund balance	-	-	23,899	23,899
Fund Balances Beginning	546,682	546,682	546,682	-
Fund Balances Ending	$ 546,682	$ 546,682	$ 570,581	$ 23,899

MANSFIELD ECONOMIC DEVELOPMENT CORPORATION

CITY OF MANSFIELD, TEXAS

BALANCE SHEET
MANSFIELD ECONOMIC DEVELOPMENT CORPORATION
September 30, 2025

Assets	
Cash, cash equivalents and investments	$ 68,961,096
Receivables (net of allowance for uncollectable)	843,357
Restricted cash and investments	122,351
Total Assets	$ 69,926,804
Liabilities:	
Accounts payable	$ 7,808,295
Accrued wages and benefits	23,862
Liabilities payable from restricted assets	1,669,486
Total Liabilities	$ 9,501,643
Fund Balances:	
Restricted for economic development	$ 60,425,161
Total Fund Balances	$ 60,425,161

CITY OF MANSFIELD, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF MANSFIELD ECONOMIC DEVELOPMENT CORPORATION TO THE STATEMENT OF NET POSITION

September 30, 2025

Total Fund Balance - Component Unit (MEDC)	$	60,425,161
Amounts reported for component unit in the statement of net position are different because:		
Capital assets used in component unit are not current financial resources and therefore are not reported in the funds.		66,384,119
Long term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds payable		(93,925,000)
Unamortized premiums/discounts on bonds		(2,240,266)
Lease/SBITA liabilities		(9,653)
Accrued compensated absences		(139,189)
Payables for bond interest which are not due in the current period are not reported in the funds but are included in the statement of net position.		(692,550)
Recognition of the MEDC's proportionate share of the net pension asset is not reported in the funds.		(380,760)
Recognition of the MEDC's proportionate share of the total OPEB liability is not reported in the funds.		(214,756)
Deferred inflows of resources related to the pension and OPEB plans are not reported in the funds.		(57,056)
Deferred outflows of resources related to the pension and OPEB plans are not reported in the funds.		225,915
Total Net Position - Component Unit (MEDC)	$	29,375,965

CITY OF MANSFIELD, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MANSFIELD ECONOMIC DEVELOPMENT CORPORATION
For the Year Ended September 30, 2025

Revenues	
Sales taxes	$ 10,860,615
Interest	2,800,483
Miscellaneous	16,299
Total Revenues	13,677,397
Expenditures	
Current:	
Administration	7,899,580
Debt services:	
Principal	1,081,476
Interest	2,679,218
Bond issuance costs	959,639
Capital outlay	39,733,128
Total Expenditures	52,353,041
Excess (Deficiency) of Revenues Over Expenditures	(38,675,644)
Other Financing Sources (Uses)	
Issuance of bonds	79,095,000
Premium/(Discount) on issuance of bonds	1,621,463
Sale of property	25,183
Total Other Financing Sources (Uses)	80,741,646
Net change in fund balance	42,066,002
Fund Balance Beginning	18,359,159
Fund Balance Ending	$ 60,425,161

CITY OF MANSFIELD, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF MANSFIELD ECONOMIC DEVELOPMENT CORPORATION TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Net Change in Fund Balances - Total Component Unit	$ 42,066,002
Amounts reported for Component Unit in the statement of activities are different because:	
Component unit report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation	
Capital outlay	39,733,128
Depreciation expense	(514,362)
Disposal of capital assets, leases, and SBITAs	(2,631,713)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the component unit.	(884,020)
Component unit report repayment of debt principal as an expenditure and proceeds of new debt as a financing source. However, in the Statement of Activities, these transactions are only considered changes in long-term debt balances.	
Principal on bonds repaid in the current year	1,070,000
Principal on leases/SBITAs in the current year	11,476
Proceeds from the issuance of debt	(79,095,000)
Premium/Discount on issuance of bonds	(1,621,463)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the component unit.	
Compensated absences	(57,169)
Accrued interest	(591,428)
Amortization of premium/discount on bonds	55,824
Pension and OPEB expense	(45,909)
Change in Net Position of Component Unit	$ (2,504,634)

UNAUDITED STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information, both current and historical, as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. To assist financial statement users, the section is categorized as follows:

Contents	Page
Financial Trends	131
These schedules contain trend information to help the reader understand how the City's financial performance and "well-being" have changed over time.	
Revenue Capacity	143
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	147
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	**156**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	158
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF MANSFIELD, TEXAS

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (Unaudited)
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2025	2024	2023	2022	2021
Governmental Activities					
Net investment in capital assets	$ 431,563	$ 404,730	$ 376,186	$ 353,929	$ 331,888
Restricted	33,821	48,675	35,784	35,274	25,503
Unrestricted	1,570	686	(5,515)	(3,958)	(14,797)
Total Governmental Activities Net Position	$ 466,954	$ 454,091	$ 406,455	$ 385,245	$ 342,594
Business-type Activities					
Net investment in capital assets	$ 288,374	$ 260,552	$ 248,968	$ 218,213	$ 204,649
Restricted	4,935	13,082	7,709	12,723	13,619
Unrestricted	27,688	34,841	28,346	32,619	21,515
Total Business-type Activities Net Position	$ 320,997	$ 308,475	$ 285,023	$ 263,555	$ 239,783
Primary Government					
Net investment in capital assets	$ 719,937	$ 665,282	$ 625,154	$ 572,142	$ 536,537
Restricted	38,756	61,756	43,493	47,997	39,122
Unrestricted	29,258	35,527	22,831	28,661	6,718
Total Primary Government Net position	$ 787,951	$ 762,565	$ 691,478	$ 648,800	$ 582,377

CITY OF MANSFIELD, TEXAS

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (Unaudited)
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2020	2019	2018	2017	2016
Governmental Activities					
Net investment in capital assets	$ 291,726	$ 255,293	$ 247,102	$ 238,473	$ 230,900
Restricted	27,154	37,150	36,286	32,960	36,146
Unrestricted	(25,826)	(25,556)	(20,591)	1,405	1,906
Total Governmental Activities Net Position	$ 293,054	$ 266,887	$ 262,797	$ 272,838	$ 268,952
Business-type Activities					
Net investment in capital assets	$ 186,574	$ 164,254	$ 155,722	$ 144,313	$ 135,623
Restricted	16,048	13,690	13,198	12,842	16,516
Unrestricted	17,735	20,114	16,396	23,136	18,249
Total Business-type Activities Net Position	$ 220,357	$ 198,058	$ 185,316	$ 180,291	$ 170,388
Primary Government					
Net investment in capital assets	$ 478,300	$ 419,547	$ 402,824	$ 382,786	$ 366,523
Restricted	43,202	50,840	49,484	45,802	52,662
Unrestricted	(8,091)	(5,442)	(4,195)	24,541	20,155
Total Primary Government Net position	$ 513,411	$ 464,945	$ 448,113	$ 453,129	$ 439,340

CITY OF MANSFIELD, TEXAS

CHANGES IN NET POSITION OF GOVERNMENTAL AND BUSINESS TYPE OF ACTIVITIES
LAST TEN FISCAL YEARS (Unaudited)
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2025	2024	2023	2022	2021
Expenses					
Governmental Activities:					
General government	$ 53,406	$ 37,953	$ 38,247	$ 25,906	$ 24,895
Public safety	57,400	51,240	47,974	37,913	39,918
Public works	23,160	25,334	22,411	18,944	17,537
Culture and recreation	15,414	14,860	13,540	12,709	11,954
Interest on long-term debt	17,855	10,510	7,369	6,539	6,676
Total Governmental Activities Expenses	167,235	139,897	129,541	102,011	100,980
Business-Type Activities:					
Water	30,497	28,909	26,737	22,359	21,972
Sewer	12,421	12,043	10,814	9,699	8,657
Law enforcement center	-	-	-	-	13
Drainage	1,936	1,680	1,580	1,488	1,835
Total Business-Type Activities Expenses	44,854	42,632	39,131	33,546	32,477
Total Primary Government Expenses	$ 212,089	$ 182,529	$ 168,672	$ 135,557	$ 133,457
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	$ 17,681	$ 13,050	$ 9,540	$ 11,065	$ 9,922
Public safety	5,352	3,969	4,054	3,612	3,369
Public works	5,084	4,725	3,173	4,759	4,269
Culture and recreation	3,740	2,981	2,468	2,098	3,717
Operating grants and contributions	7,310	994	675	673	6,292
Capital grants and contributions	911	26,614	17,753	25,511	29,276
Total Governmental Activities Program Revenues	40,078	52,333	37,663	47,718	56,845
Business-Type Activities					
Charges for services:					
Water	34,533	35,494	32,951	34,630	28,834
Sewer	18,954	18,252	16,537	15,181	13,365
Law enforcement center	-	-	-	-	13
Drainage	3,101	3,024	2,860	2,790	2,664
Operating grants and contributions	-	-	4	15	-
Capital grants and contributions	960	9,649	9,582	6,996	10,466
Total Business-Type Activities Program Revenues	57,548	66,419	61,934	59,612	55,342
Total Primary Government Program Revenues	$ 97,626	$ 118,752	$ 99,597	$ 107,330	$ 112,187

CITY OF MANSFIELD, TEXAS

CHANGES IN NET POSITION OF GOVERNMENTAL AND BUSINESS TYPE OF ACTIVITIES
LAST TEN FISCAL YEARS (Unaudited)
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2020	2019	2018	2017	2016
Expenses					
Governmental Activities:					
General government	$ 23,087	$ 19,298	$ 18,218	$ 14,433	$ 11,753
Public safety	44,183	40,253	34,407	31,997	30,909
Public works	17,310	20,481	15,647	15,237	15,017
Culture and recreation	11,983	12,249	10,105	10,348	9,500
Interest on long-term debt	7,053	6,904	6,568	6,345	5,345
Total Governmental Activities Expenses	103,616	99,185	84,945	78,360	72,524
Business-Type Activities:					
Water	22,512	21,020	21,169	19,714	18,394
Sewer	8,450	8,834	7,984	6,935	6,915
Law enforcement center	5,266	7,479	11,510	11,886	10,882
Drainage	1,491	1,381	1,341	1,210	1,155
Total Business-Type Activities Expenses	37,719	38,714	42,004	39,745	37,346
Total Primary Government Expenses	$ 141,335	$ 137,899	$ 126,949	$ 118,105	$ 109,870
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	$ 8,390	$ 7,130	$ 6,553	$ 5,485	$ 5,681
Public safety	3,349	3,528	3,408	3,547	3,325
Public works	4,911	2,805	4,403	2,792	3,051
Culture and recreation	3,980	2,954	2,675	1,938	2,030
Operating grants and contributions	3,645	365	538	744	767
Capital grants and contributions	19,569	9,191	12,139	3,358	8,236
Total Governmental Activities Program Revenues	43,844	25,973	29,716	17,864	23,090
Business-Type Activities					
Charges for services:					
Water	28,605	25,052	27,275	23,611	22,178
Sewer	13,339	12,806	12,581	11,533	10,864
Law enforcement center	6,020	7,114	12,915	11,450	10,422
Drainage	2,611	2,632	2,557	2,494	2,289
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	8,365	3,968	3,900	1,648	4,161
Total Business-Type Activities Program Revenues	58,940	51,572	59,228	50,736	49,914
Total Primary Government Program Revenues	$ 102,784	$ 77,545	$ 88,944	$ 68,600	$ 73,004

	2025	2024	2023	2022	2021
Net (Expense) Revenue					
Governmental activities	$ (127,157)	$ (87,564)	$ (91,878)	$ (54,293)	$ (44,135)
Business-type activities	12,694	23,787	22,803	26,066	22,865
Total Primary Government Net Expense	$ (114,463)	$ (63,777)	$ (69,075)	$ (28,227)	$ (21,270)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	$ 85,810	$ 80,164	$ 69,024	$ 62,263	$ 58,744
Sales taxes	29,769	30,347	29,422	25,515	26,205
Franchise taxes	4,545	4,479	4,398	4,115	3,878
Mixed drink taxes	366	388	367	332	286
Hotel/motel taxes	1,148	1,150	1,104	1,005	858
Unrestricted investment earnings	11,621	9,663	5,844	869	17
Miscellaneous	867	50	157	330	158
Gain on sale of capital assets	-	4,429	-	-	81
Transfers	4,607	4,530	3,198	2,519	3,449
Total Governmental Activities	138,733	135,200	113,514	96,948	93,676
Business-Type Activities:					
Property taxes	-	-	-	-	-
Unrestricted investment earnings	4,230	4,147	1,829	204	10
Gain (loss) on sale of capital assets	-	48	34	21	-
Miscellaneous	207	-	-	-	-
Transfers	(4,607)	(4,530)	(3,198)	(2,519)	(3,449)
Total Business-Type Activities	(170)	(335)	(1,335)	(2,294)	(3,439)
Total Primary Government	$ 138,563	$ 134,865	$ 112,179	$ 94,654	$ 90,237
Changes in Net Position:					
Governmental activities	$ 11,576	$ 47,637	$ 21,636	$ 42,655	$ 49,541
Business-type activities	12,524	23,451	21,468	23,772	1,926
Total Primary Government	$ 24,100	$ 71,088	$ 43,104	$ 66,427	$ 68,967

CITY OF MANSFIELD, TEXAS

CHANGES IN NET POSITION OF GOVERNMENTAL AND BUSINESS TYPE OF ACTIVITIES
LAST TEN FISCAL YEARS (Unaudited)
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2020	2019	2018	2017	2016
Net (Expense) Revenue					
Governmental activities	$ (59,772)	$ (73,212)	$ (55,229)	$ (60,496)	$ (49,434)
Business-type activities	21,221	12,858	17,224	10,991	12,568
Total Primary Government Net Expense	$ (38,551)	$ (60,354)	$ (38,005)	$ (49,505)	$ (36,866)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	$ 58,969	$ 51,393	$ 46,358	$ 41,638	$ 38,341
Sales taxes	22,552	18,724	17,397	16,200	15,492
Franchise taxes	3,950	4,093	3,722	3,640	3,782
Mixed drink taxes	181	287	200	189	179
Hotel/motel taxes	546	725	746	755	754
Unrestricted investment earnings	463	1,119	600	230	114
Miscellaneous	95	157	179	238	9
Gain on sale of capital assets	-	52	17	(68)	1,659
Transfers	(819)	759	1,590	1,560	723
Total Governmental Activities	85,937	77,309	70,809	64,382	61,053
Business-Type Activities:					
Property taxes	-	-	-	63	-
Unrestricted investment earnings	258	643	386	171	80
Gain (loss) on sale of capital assets	-	-	(14)	-	-
Miscellaneous	-	-	-	-	-
Transfers	819	(759)	(1,590)	(1,322)	(723)
Total Business-Type Activities	1,077	(116)	(1,218)	(1,088)	(643)
Total Primary Government	$ 87,014	$ 77,193	$ 69,591	$ 63,294	$ 60,410
Changes in Net Position:					
Governmental activities	$ 26,165	$ 4,088	$ 15,580	$ 3,886	$ 11,619
Business-type activities	22,298	12,742	16,006	9,903	11,925
Total Primary Government	$ 48,463	$ 16,839	$ 31,586	$ 13,789	$ 23,544

CITY OF MANSFIELD, TEXAS *Table 3*

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS (Unaudited)
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/Motel Tax	Mixed Drink Tax	Total
2016	$ 38,144	$ 15,492	$ 3,782	$ 754	$ 179	$ 58,351
2017	41,700	16,200	3,640	755	189	62,484
2018	46,338	17,397	3,722	746	200	68,403
2019	51,307	18,724	4,093	725	278	75,127
2020	58,820	20,423	3,950	546	181	83,920
2021	58,780	23,996	3,878	858	263	87,775
2022	62,084	27,273	4,115	1,005	306	94,783
2023	69,440	29,399	4,368	1,104	367	104,678
2024	80,084	30,217	4,479	1,150	359	116,289
2025	86,741	32,566	4,545	1,148	365	125,365

CITY OF MANSFIELD, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (Unaudited)
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2025	2024	2023	2022	2021
General Fund					
Nonspendable	$ 14,371	$ 18,280	$ 12,498	$ -	$ -
Restricted	-	-	-	-	-
Committed	-	-	-	926	129
Unassigned	23,965	19,168	20,104	30,813	27,265
Total General Fund	$ 38,336	$ 37,448	$ 32,602	$ 31,739	$ 27,394
All Other Governmental Funds					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	224,116	125,025	104,742	63,769	63,580
Committed	344	6,716	9,267	5,221	4,514
Assigned	-	-	-	-	-
Unassigned	(12,389)	(8,991)	(3,880)	(554)	(955)
Total All Other Governmental Funds	$ 212,071	$ 122,750	$ 110,129	$ 68,436	$ 67,139
Total All Governmental Funds	$ 250,407	$ 160,198	$ 142,731	$ 100,175	$ 94,533

LAST TEN FISCAL YEARS (Unaudited)
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2020	2019	2018	2017	2016
General Fund					
Nonspendable	$ -	$ -	$ -	$ -	$ 10
Restricted	-	-	-	-	-
Committed	-	201	-	-	-
Unassigned	22,187	17,208	17,029	14,476	13,067
Total General Fund	$ 22,187	$ 17,409	$ 17,029	$ 14,476	$ 13,077
All Other Governmental Funds					
Nonspendable	$ -	$ -	$ -	$ -	$ 61
Restricted	58,698	37,961	36,244	30,914	28,663
Committed	2,199	3,257	4,240	4,086	9,996
Assigned	-	97	192	181	170
Unassigned	(12)	(337)	(369)	-	-
Total All Other Governmental Funds	$ 60,885	$ 40,978	$ 40,307	$ 35,181	$ 38,890
Total All Governmental Funds	$ 83,072	$ 58,387	$ 57,336	$ 49,657	$ 51,967

CITY OF MANSFIELD, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (Unaudited)
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2025	2024	2023	2022	2021
Revenues					
Taxes	$ 125,365	$ 116,289	$ 104,678	$ 94,782	$ 87,774
Licenses and permits	3,811	4,306	3,287	3,850	3,491
Intergovernmental - public safety	-	825	689	880	2,267
Charges for services	11,832	10,926	10,074	10,014	9,029
Fines and Fees - administrative	1,465	1,167	1,207	1,351	1,252
Interest income	11,621	9,663	5,844	869	17
Contributions and grants	7,360	66	461	49	57
Impact and developer fees	6,441	4,044	3,499	4,973	5,506
Miscellaneous	7,127	3,791	2,268	3,021	1,943
Total Revenues	175,022	151,077	132,007	119,789	111,336
Expenditures					
General government	45,831	35,476	37,866	25,097	23,606
Public safety	52,799	49,361	45,360	41,530	39,943
Public works	7,889	7,043	6,419	5,184	4,463
Culture and recreation	12,380	11,784	10,751	11,022	9,686
Capital outlay	99,177	76,703	32,349	21,887	14,678
Debt Service:					
Principal	18,375	18,624	15,180	15,220	12,515
Interest and fiscal charges	18,925	11,001	6,388	6,825	7,085
Bond issuance cost	2,159	620	719	197	139
Total Expenditures	257,535	210,612	155,032	126,962	112,115
Excess of revenues over (under) expenditures	(82,513)	(59,535)	(23,025)	(7,173)	(779)
Other Financing Sources (Uses)					
Transfers in	6,797	10,764	6,691	9,631	7,150
Transfers (out)	(2,190)	(6,234)	(3,493)	(7,113)	(4,673)
Sale of city property	989	6,380	76	152	124
Payment to refunded bond escrow agent	(11,528)	(12,558)	(9,414)	-	-
Bonds issued	161,740	69,865	67,490	9,360	9,100
Premium on bonds issued	16,872	8,191	4,655	784	539
Discounts on bonds issued	-	-	-	-	-
Issuance of SBITAs	41	593	-	-	-
Total Other Financing Sources (Uses)	172,721	77,001	66,005	12,814	12,240
Net Change in Fund Balances	$ 90,208	$ 17,466	$ 42,980	$ 5,641	$ 11,461
Debt Service as a Percentage of Noncapital Expenditures	23.6%	22.0%	17.4%	21.0%	20.1%

	2020	2019	2018	2017	2016
Revenues					
Taxes	$ 83,920	$ 75,127	$ 68,403	$ 62,484	$ 58,351
Licenses and permits	2,763	2,411	2,489	1,975	2,188
Intergovernmental - public safety	3,850	1,792	414	648	688
Charges for services	9,114	7,357	8,189	5,772	5,178
Fines and Fees - administrative	1,457	1,880	1,872	1,973	2,106
Interest income	463	1,119	600	230	113
Contributions and grants	70	110	114	44	79
Impact and developer fees	4,835	2,950	3,285	2,495	2,164
Miscellaneous	1,527	1,105	1,165	1,487	2,420
Total Revenues	107,999	93,851	86,531	77,108	73,287
Expenditures					
General government	20,272	17,090	16,815	12,976	11,413
Public safety	39,645	36,438	32,478	30,605	29,351
Public works	4,238	7,744	3,941	4,244	4,066
Culture and recreation	8,729	9,240	7,959	8,109	7,441
Capital outlay	16,125	18,604	24,872	39,520	38,211
Debt Service:					
Principal	11,740	11,210	10,645	9,855	15,055
Interest and fiscal charges	7,234	7,090	6,489	6,141	7,013
Bond issuance cost	217	183	386	440	744
Total Expenditures	108,200	107,599	103,585	111,890	113,294
Excess of revenues over (under) expenditures	(201)	(13,748)	(17,054)	(34,782)	(40,007)
Other Financing Sources (Uses)					
Transfers in	3,830	4,495	3,654	3,196	5,390
Transfers (out)	(4,649)	(3,736)	(2,064)	(1,636)	(4,667)
Sale of city property	3	112	24	55	2,130
Payment to refunded bond escrow agent	(4,613)	-	-	-	(18,025)
Bonds issued	28,720	13,750	22,070	30,230	54,065
Premium on bonds issued	1,595	178	1,187	697	4,987
Discounts on bonds issued	-	-	(138)	(71)	(338)
Issuance of SBITAs	-	-	-		-
Total Other Financing Sources (Uses)	24,886	14,799	24,733	32,471	43,542
Net Change in Fund Balances	$ 24,685	$ 1,051	$ 7,679	$ (2,311)	$ 3,535
Debt Service as a Percentage of Noncapital Expenditures	20.5%	20.5%	21.8%	22.1%	29.4%

CITY OF MANSFIELD, TEXAS *Table 6*

GOVERNMENTAL FUNDS TAX REVENUE BY SOURCE
Current Year and Nine Year Ago (Unaudited)
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/Motel Tax	Mixed Drink Tax	Total
2016	$ 38,144	$ 15,492	$ 3,782	$ 754	$ 179	$ 58,351
2017	41,700	16,200	3,640	755	189	62,484
2018	46,338	17,397	3,722	746	200	68,403
2019	51,307	18,724	4,093	725	278	75,127
2020	58,820	20,423	3,950	546	181	83,920
2021	58,780	23,996	3,878	858	263	87,775
2022	62,084	27,273	4,115	1,005	306	94,783
2023	69,440	29,399	4,368	1,104	367	104,678
2024	80,084	30,217	4,479	1,150	359	116,289
2025	86,741	32,566	4,545	1,148	365	125,365

CITY OF MANSFIELD, TEXAS

Table 7

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (Unaudited)

Fiscal Year Ended September 30	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2016	$ 4,978,279,317	$ 722,052,786	$ 413,405,008	$ 5,286,927,095	$ 0.71
2017	5,386,325,190	940,503,204	413,190,727	5,913,637,667	0.71
2018	5,985,329,622	1,033,151,952	430,183,043	6,588,298,531	0.71
2019	6,698,937,733	1,130,303,494	798,656,803	7,030,584,424	0.71
2020	7,591,510,413	1,474,090,850	1,080,091,317	7,985,509,946	0.71
2021	8,564,130,358	1,138,207,845	1,756,917,534	7,945,420,669	0.69
2022	9,632,384,054	1,310,505,926	2,899,028,488	8,043,861,492	0.69
2023	10,999,310,910	1,610,250,808	3,145,498,780	9,464,062,938	0.68
2024	13,213,736,224	1,781,309,118	4,083,581,726	10,911,463,616	0.66
2025	14,609,700,883	2,928,452,740	5,698,089,879	11,840,063,744	0.65

Source: Tarrant County Appraisal District, Johnson County Appraisal District, and Ellis County Appraisal District

CITY OF MANSFIELD, TEXAS

Table 8

PROPERTY TAX RATES

DIRECT AND OVERLAPPING[1] GOVERNMENTS

LAST TEN FISCAL YEARS (Unaudited)

	City of Mansfield, Texas			Overlapping Rates							
				Counties [1]			School District				
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts	Total Direct and Overlapping Rates
2016	$ 0.468	$ 0.242	$ 0.710	$ 0.945	$ 0.107	$ 1.052	$ 1.040	$ 0.470	$ 1.510	$ 0.397	$ 3.669
2017	0.471	0.239	0.710	1.028	0.835	1.863	1.040	0.470	1.510	0.392	4.475
2018	0.474	0.236	0.710	0.960	0.086	1.046	1.040	0.500	1.540	0.384	3.680
2019	0.485	0.225	0.710	0.933	0.082	1.015	1.040	0.500	1.540	0.380	3.645
2020	0.478	0.232	0.710	0.894	0.054	0.948	0.970	0.490	1.460	0.383	3.501
2021	0.461	0.229	0.690	0.893	0.046	0.939	0.956	0.490	1.446	0.383	3.458
2022	0.465	0.225	0.690	0.878	0.042	0.920	1.058	0.360	1.418	0.383	3.410
2023	0.464	0.216	0.680	0.828	0.038	0.866	0.975	0.360	1.335	0.381	3.262
2024	0.436	0.223	0.659	0.746	0.036	0.782	0.789	0.360	1.149	0.333	2.924
2025	0.422	0.223	0.645	0.172	0.016	0.188	0.787	0.360	1.147	0.182	2.162

[1] Overlapping rates are those of local and county governments that apply to property owners within the City of Mansfield, Texas. Not all overlapping rates apply to all City of Mansfield, Texas property owners (e.g., the rates for the special districts and counties apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district and county). The City of Mansfield, Texas is located within three separate counties, Tarrant, Johnson, and Ellis.

Source: Tarrant County Appraisal District
Ellis County Appraisal District
Johnson County Appraisal District

CITY OF MANSFIELD, TEXAS

Table 9

PRINCIPAL PROPERTY TAXPAYERS

As of September 30, 2025

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Mouser Electronics	$ 332,364,665	1	3.17%	$ 222,103,205	1	4.20%
Mid-America Apartments LP	94,200,000	2	0.90%	55,480,000	4	1.05%
Aurora Watson Branch LLC	80,500,000	3	0.77%			
CH Realty IX-JLB MF Dallas Mansfield Broad LP	68,700,000	4	0.65%			
Mansfield KDC II & III LP Etal	65,461,420	5	0.62%	65,196,357	2	1.23%
Evolv AL LP	62,600,000	6	0.60%			
KE Mansfield Owner TIC LLC	61,100,000	7	0.58%			
Oncor Electric Delivery Co	60,484,104	8	0.58%	34,596,412	7	0.65%
TX Landing at Mansfield LLC	59,820,000	9	0.57%			
SREIT Mag Regalia Owner LLC	59,500,000	10	0.57%			
Klein Tools Inc.				56,712,066	3	1.07%
Advenir @ Mansfield LLC				37,476,000	5	0.71%
Wal-Mart Stores Inc.				36,285,764	6	0.69%
Sir Mansfield Landing LLC				32,350,000	8	0.61%
T Villas Di Lucca TX LLC				29,429,325	9	0.56%
Advenir @ Walnut Creek LLC				26,174,518	10	0.50%
	$ 944,730,189		9.01%	$ 595,803,647		11.27%

Source: Tarrant Appraisal District / Johnson Appraisal District

CITY OF MANSFIELD, TEXAS *Table 10*

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (Unaudited)
(amounts expressed in thousands)

Fiscal Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections for Prior Years (1)	Total Collections to Date	Accumulated Delinquent Taxes	Percent of Levy
		Amount	Percentage of Levy		Amount		
2016	$ 37,715	$ 37,348	99.03%	$ 342	$ 37,690	$ 25	99.9%
2017	42,579	41,412	97.26%	1,103	42,515	64	99.8%
2018	46,020	45,713	99.33%	269	45,982	38	99.9%
2019	48,715	48,320	99.19%	359	48,679	36	99.9%
2020	54,720	54,350	99.32%	325	54,675	45	99.9%
2021	53,937	53,429	99.06%	455	53,884	53	99.9%
2022	57,644	56,961	98.82%	607	57,568	76	99.9%
2023	64,987	64,774	99.67%	157	64,931	56	99.9%
2024	74,120	73,767	99.52%	41	73,808	312	99.6%
2025	76,368	76,041	99.57%	-	76,041	-	99.6%

Source: Tarrant County Tax Assessor/Collector

(1) - Information was not available from Tarrant Appraisal District for collections in subsequent years.

Thus, the amount shown is actual delinquent property taxes collected during the fiscal year.

CITY OF MANSFIELD, TEXAS

Table 11

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (Unaudited)
(amounts expressed in thousands, except per capita amount)

	Governmental Activities				Business-Type Activities							
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Leases	SBITAs	Water/Sewer Revenue Bonds	Drainage Utility Revenue Bonds	Certificates Obligation Bonds	Leases	SBITAs	Total Primary Government	Percentage of Personal Income[1]	Per Capita*
2016 [2]	$ 129,788	$ 25,098	$ -	$ -	$ 51,339	$ 3,985	$ 1,581	$ -	$ -	$ 211,791	10.63%	$ 3,132
2017 [2]	136,095	33,170	-	-	46,155	3,970	630	-	-	220,020	10.86%	3,199
2018 [2]	142,892	37,250	-	-	42,127	3,175	537	-	-	225,981	10.93%	3,220
2019 [2]	144,417	37,735	-	-	37,970	2,752	487	-	-	223,361	8.22%	3,220
2020 [2]	161,953	33,445	-	-	34,508	2,320	443	-	-	232,669	8.36%	3,071
2021 [2]	160,577	31,590	-	-	31,100	1,877	-	-	-	225,144	7.41%	2,986
2022 [2]	156,635	29,680	88	2,248	27,293	1,415	-	-	-	217,359	6.77%	2,821
2023 [2]	205,251	27,715	232	2,789	23,884	937	-	34	240	261,082	7.13%	3,215
2024 [2]	252,459	25,685	124	2,427	70,892	447	-	22	456	352,512	9.23%	4,265
2025 [2]	391,258	33,197	31	1,339	67,226	304	-	10	338	493,703	10.24%	5,644

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] See the schedule of demographic and economic statistics for personal income and population data (Table 16).

[2] Amount represents total outstanding debt net of premiums, discounts and adjustments

CITY OF MANSFIELD, TEXAS

Table 12

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita*
2016 [1]	$ 129,788	$ 483	$ 129,305	2.24%	$ 2,044
2017 [1]	136,095	623	135,472	2.16%	2,142
2018 [1]	142,892	1,289	141,603	2.37%	2,239
2019 [1]	144,417	1,698	142,719	2.00%	1,944
2020 [1]	161,953	3,889	158,064	2.00%	2,086
2021 [1]	160,577	5,365	155,212	1.95%	2,058
2022 [1]	156,635	5,222	151,413	1.88%	1,965
2023 [1]	205,251	7,433	197,818	2.09%	2,436
2024 [1]	252,459	7,443	245,016	2.25%	2,964
2025 [1]	391,258	6,670	384,588	3.25%	4,397

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.:

[1] Amount represents total outstanding debt net of premiums, discounts and adjustments

CITY OF MANSFIELD, TEXAS

Table 13

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid From Property Taxes			
Mansfield Independent School District	$ 1,260,570,000	50.39%	$ 635,201,223
Midlothian Independent School District	333,690,000	1.57%	5,238,933
Johnson County	45,490,000	9.20%	4,185,080
Ellis County	21,260,000	0.56%	119,056
Tarrant County	314,050,000	3.46%	10,866,130
Tarrant County Hospital District	431,255,000	3.46%	14,921,423
Tarrant County College District	547,535,000	3.46%	18,944,711
Subtotal, overlapping debt	$ 2,953,850,000		$ 689,476,556
City of Mansfield, Texas direct debt	425,825,720	100.00%	425,825,720
Total Direct and Overlapping Debt			$ 1,115,302,276

Sources: FSC Disclosure Services (Division of Hilltop Securities)

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Mansfield, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

	2016	2017	2018	2019	2020
Annual Debt Limit	$ 79,303,906	$ 88,704,565	$ 98,824,478	$ 105,458,766	$ 119,782,649
Total Net Debt Payment Applicable to Limit	12,597,832	13,876,442	14,695,211	15,185,666	15,756,312
Legal debt margin	$ 66,706,074	$ 74,828,123	$ 84,129,267	$ 90,273,100	$ 104,026,337
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.89%	15.64%	14.87%	14.40%	13.15%

The City Charter of the City of Mansfield, Texas and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population limits the ad valorem tax rate to $2.50 per $100 of assessed valuation.

	2021	2022	2023	2024	2025
Annual Debt Limit	$ 119,181,310	$ 120,657,922	$ 141,960,944	$ 163,671,954	$ 177,600,956
Total Net Debt Payment Applicable to Limit	16,482,315	16,354,534	18,428,153	25,193,109	26,935,256
Legal debt margin	$ 102,698,995	$ 104,303,388	$ 123,532,791	$ 138,478,845	$ 150,665,700
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.83%	13.55%	12.98%	15.39%	15.17%

Legal Debt Margin Calculation for Fiscal Year

Assessed Value	$ 11,840,063,744
Debt limit ($1.50 of assessed value)	177,600,956
Annual Debt Payments applicable to limit:	
General obligation bonds	26,935,256
Annual legal debt margin	$ 150,665,700

The City Charter of the City of Mansfield, Texas and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population limits the ad valorem tax rate to $2.50 per $100 of assessed valuation.

	Water and Sewer Revenue Bonds					
Fiscal	Charges	Less: Operating	Net Available	Debt Service		
Year	and Other	Expenses	Revenue	Principal	Interest	Coverage
2016	$ 33,041,557	$ 19,041,197	$ 14,000,360	$ 4,380,000	$ 1,701,278	2.30
2017	35,144,144	20,050,464	15,093,680	4,020,000	2,039,234	2.49
2018	40,227,029	22,850,439	17,376,590	4,000,000	1,881,592	2.95
2019	38,477,901	23,563,181	14,914,720	3,875,000	1,711,534	2.67
2020	42,193,620	24,951,881	17,241,739	3,180,000	1,554,834	3.64
2021	42,208,569	24,115,986	18,092,583	3,300,000	1,435,871	3.82
2022	50,028,534	25,592,748	24,435,786	3,465,000	1,130,888	5.32
2023	51,225,789	30,449,436	20,776,353	3,070,000	100,125	6.55
2024	57,659,759	31,713,597	25,946,162	2,965,000	1,134,077	6.33
2025	57,689,795	31,623,400	26,066,395	3,055,000	4,254,994	3.57

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.
Charges and other include investment earnings. Operating expenses do not include interest or depreciation.

	Drainage Revenue Bonds					
Fiscal	Charges	Less: Operating	Net Available	Debt Service		
Year	and Other	Expenses	Revenue	Principal	Interest	Coverage
2016	$ 2,288,699	$ 864,112	$ 1,424,587	$ 390,000	$ 137,970	2.70
2017	2,494,146	922,507	1,571,639	400,000	128,170	2.98
2018	2,571,292	1,054,341	1,516,951	405,000	141,221	2.78
2019	2,655,137	1,083,807	1,571,330	420,000	107,770	2.98
2020	2,619,809	1,190,321	1,429,488	430,000	97,070	2.71
2021	2,664,163	1,537,234	1,126,929	440,000	79,750	2.17
2022	2,811,934	1,181,432	1,630,502	460,000	66,710	3.10
2023	2,989,807	1,304,859	1,684,948	475,000	52,175	3.20
2024	3,305,222	1,367,246	1,937,976	490,000	36,238	3.68
2025	3,329,913	1,663,890	1,666,023	145,000	19,350	10.14

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.
Charges and other include investment earnings. Operating expenses do not include interest or depreciation.

Mansfield Parks Facility Development Corporation & MPFDC Debt Service

Fiscal Year	Sales Tax Revenue	Debt Service Principal	Debt Service Interest	Total [1]	Coverage
2016	$ 5,164,135	$ 4,380,000	$ 1,701,278	$ 6,081,278	0.85
2017	5,400,052	4,020,000	2,039,234	6,059,234	0.89
2018	5,799,014	4,000,000	1,881,592	5,881,592	0.99
2019	6,229,745	3,875,000	1,711,534	5,586,534	1.12
2020	6,801,312	3,180,000	1,554,834	4,734,834	1.44
2021	7,987,965	3,300,000	1,435,871	4,735,871	1.69
2022	9,078,316	3,465,000	1,130,888	4,595,888	1.98
2023	9,785,580	3,070,000	1,001,250	4,071,250	2.40
2024	10,061,156	2,965,000	1,134,077	4,099,077	2.45
2025	10,844,325	1,735,000	1,065,917	2,800,917	3.87

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

Charges and other include investment earnings. Operating expenses do not include principal, interest, bond issuance costs or fiscal charges.

	Mansfield Economic Development Corporation				
Fiscal	Sales Tax	Debt Service			
Year	Revenue	Principal	Interest	Total [1]	Coverage
2016	$ 5,164,134	$ 390,000	$ 137,970	$ 527,970	9.78
2017	5,400,053	400,000	128,170	528,170	10.22
2018	5,799,013	405,000	141,221	546,221	10.62
2019	6,247,275	420,000	107,770	527,770	11.84
2020	6,810,710	430,000	97,070	527,070	12.92
2021	8,003,914	440,000	79,750	519,750	15.40
2022	9,097,314	460,000	66,710	526,710	17.27
2023	9,806,805	475,000	52,175	527,175	18.60
2024	10,075,968	490,000	36,238	526,238	19.15
2025	10,860,615	1,070,000	606,730	1,676,730	6.48

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

Charges and other include investment earnings. Operating expenses do not include principal, interest, bond issuance costs or fiscal charges.

CITY OF MANSFIELD, TEXAS *Table 16*

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population [1]	Personal Income (amounts expressed in thousands)	Per Capita Personal Income [2]	Median Age [2]	School Enrollment [3]	Unemployment Rate [4]
2016	67,628	$ 2,158,489	$ 31,917	35.5	33,809	4.0%
2017	68,784	2,456,809	35,718	35.2	33,809	4.5%
2018	70,170	2,751,977	39,219	35.2	35,256	3.9%
2019	73,410	2,717,953	37,024	36.2	35,256	3.2%
2020	72,602	2,904,341	40,004	35.2	35,626	6.4%
2021	74,442	3,037,781	40,283	35.1	35,524	2.2%
2022	77,040	3,209,598	41,661	35.0	35,607	2.1%
2023	81,197	3,662,770	45,110	35.2	35,722	2.4%
2024	82,652	3,819,680	46,214	35.2	35,851	3.8%
2025	87,472	4,042,432	50,565	36.4	35,851	4.1%

Data Sources:

[1] Estimated Population - City's Planning Department - The City has revised its population estimates for the previous year

[2] Mansfield Economic Development Corporation

[3] Mansfield Independent School District

[4] Texas Workforce Commission

CITY OF MANSFIELD, TEXAS *Table 17*

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

	2025			2016		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Mansfield Independent School District	5,077	1	11.62%	4,300	1	6.80%
Mouser Electronics	2,252	2	5.15%	1,300	2	2.06%
Methodist Mansfield Medical Center	1,168	3	2.67%	1,207	3	1.91%
Klein Tools	1,155	4	2.64%	395	7	0.62%
City of Mansfield	596	5	1.32%	533	4	0.84%
Don Lee Farms	335	6	0.77%			
Texas Health Resources	303	7	0.67%			
Venus Construction	201	8	0.45%			
SJ Louis Construction of TX	200	9	0.44%	450	5	0.71%
Conveyors, Inc.	192	10	0.43%			
Walmart				400	6	0.63%
Kroger				320	8	0.51%
Pier 1 Distribution Center				300	9	0.47%
Hoffman Cabinets				260	10	0.41%
	11,479		26.16%	9,465		14.96%

Function	2025*	2024*	2023*	2022*	2021*
General Government	40	33	31	31	29
Public Safety:					
Police	167	165	165	164	161
Fire	112	106	104	104	103
Public Works	87	77	75	64	58
Culture and Recreation	98	96	93	85	81
Water and Sewer	60	59	59	57	55
Law Enforcement Center	-	-	-	-	-
Drainage Utility	8	7	7	7	7
Total General Fund	572	543	534	512	494

Source: City Budget Office

* In September 2020, the City restructured departments to eliminate redundancy and reduced operations at the Law Enforcement Center to that of a City Jail.

Function	2020*	2019*	2018*	2017*	2016*
General Government	36	31	33	30	30
Public Safety:					
Police	145	145	141	134	132
Fire	102	95	89	86	83
Public Works	58	56	57	58	58
Culture and Recreation	76	71	68	68	65
Water and Sewer	55	54	54	53	51
Law Enforcement Center	72	70	105	111	111
Drainage Utility	7	5	5	4	3
Total General Fund	551	527	552	544	533

Source: City Budget Office

* In September 2020, the City restructured departments to eliminate redundancy and reduced operations at the Law Enforcement Center to that of a City Jail.

Function/Program	2025	2024	2023	2022	2021
Police:					
Physical arrests	1,610	1,583	1,545	2,422	2,445
Accidents	1,958	2,644	2,285	1,935	3,010
Traffic violations	9,789	6,900	19,098	9,000	8,800
Fire:					
Number of calls answered	14,382	13,682	13,153	11,035	10,472
Inspections	3,467	2,987	2,286	5,226	3,658
Public Works:					
Street resurfacing (miles)	2.0	5.0	5.0	5.0	5.0
Asphalt overlays (square feet)	143,520	42,350	42,350	43,738	44,805
Culture and Recreation:					
Sports association participants	6,330	6,213	5,906	6,038	5,224
MAC rentals	553	598	692	629	600
Water:					
New connections	235	560	998	700	979
Water main breaks	34	48	48	35	54
Average daily consumption (thousands of gallons)	16,502	14,500	14,500	14,500	12,696
Sewer:					
Average Daily Treated (thousands of gallons)	6,754	6,250	6,250	6,069	5,950
Public Safety:					
Police:					
Stations	1	1	2	2	2
Patrol units	85	78	67	75	58
Fire stations	5	5	5	5	5

Function/Program	2020	2019	2018	2017	2016
Police:					
Physical arrests	2,500	2,248	1,900	2,700	2,107
Accidents	2,750	2,640	1,635	1,210	936
Traffic violations	11,500	10,756	8,105	8,019	9,086
Fire:					
Number of calls answered	10,170	10,786	9,900	9,643	9,538
Inspections	3,477	3,376	3,062	2,917	3,100
Public Works:					
Street resurfacing (miles)	6.0	5.0	5.0	4.0	2.0
Asphalt overlays (square feet)	43,383	44,805	44,805	44,805	42,000
Culture and Recreation:					
Sports association participants	7,350	7,400	7,400	7,950	7,950
MAC rentals	625	650	650	650	650
Water:					
New connections	454	448	588	484	485
Water main breaks	72	43	44	55	40
Average daily consumption (thousands of gallons)	13,437	10,881	9,994	9,994	9,994
Sewer:					
Average Daily Treated (thousands of gallons)	5,661	5,995	5,550	5,302	4,818
Public Safety:					
Police:					
Stations	2	2	2	2	2
Patrol units	58	54	48	44	43
Fire stations	4	4	4	4	4

Function/Program	2025	2024	2023	2022	2021
Public Works:					
Streets miles maintained	720	713	713	655	635
Miles of water and sewer lines	747	725	725	675	645
Calls for service**	-	2,345	2,345	4,002	4,256
Culture and Recreation:					
Parks acreage	1,218	1,195	1,195	1,037	968
Parks	29	26	23	21	20
Tennis courts	3	3	3	3	3
Community centers	1	1	1	1	1
Water:					
Water mains (miles)	397	389	389	365	345
Fire hydrants	3,305	3,163	3,163	2,650	2,296
Maximum daily capacity (thousands of gallons)	49,810	69,000	69,000	67,000	60,000
Sewer:					
Sanitary sewer mains (miles)	350	336	336	310	300
Sewer lines repairs	41	43	43	30	30
Maximum daily treatment capacity (thousands of gallons)	45,000	45,000	45,000	45,000	45,000
Law Enforcement Center *:					
Average Daily Inmate Population	-	-	-	-	-
Average Daily Meals Served	-	-	-	-	-
Drainage Utility:					
Vegetation Control (acres)	127	120	120	120	120
Ditch & Channel Maintenance (miles)	22	10	10	10	2
Box Culverts Cleaned (feet)	97,305	80,000	80,000	80,000	70,000

Source: City Budget Office

*LEC discontinued operations in September 2020

**System changed and tracking discontinued in 2025

Function/Program	2020	2019	2018	2017	2016
Public Works:					
Streets miles maintained	622	630	455	450	410
Miles of water and sewer lines	626	632	575	585	632
Calls for service	4,506	4,550	4,550	4,550	4,500
Culture and Recreation:					
Parks acreage	917	910	892	883	858
Parks	18	17	17	16	16
Tennis courts	3	3	3	5	1
Community centers	1	1	1	1	1
Water:					
Water mains (miles)	337	341	341	330	325
Fire hydrants	2,460	2,460	2,460	2,460	2,439
Maximum daily capacity (thousands of gallons)	57,000	57,000	57,000	57,000	57,000
Sewer:					
Sanitary sewer mains (miles)	289	291	314	314	307
Sewer lines repairs	20	21	23	17	25
Maximum daily treatment capacity (thousands of gallons)	45,000	45,000	45,000	45,000	45,000
Law Enforcement Center *:					
Average Daily Inmate Population	240	240	390	400	378
Average Daily Meals Served	250	820	1,200	1,200	1,134
Drainage Utility:					
Vegetation Control (acres)	120	114	114	114	114
Ditch & Channel Maintenance (miles)	2	2	2	2	13
Box Culverts Cleaned (feet)	65,000	60,000	55,000	40,715	10,500

Source: City Budget Office

*LEC discontinued operations in September 2020

**System changed and tracking discontinued in 2025

CITY OF MANSFIELD, TEXAS *Table 20*

WATER USAGE AND REVENUE

For the Fiscal Year End September 30, 2025

Rank	Customer Name	Water Usage	% of Total Water Usage	Water Revenue	% of Water Revenues
1	Residential (Single-Family)	4,103,000,000	59.8%	$ 23,540,000	56.4%
2	Commercial & Industrial (General)	1,304,000,000	18.2%	10,140,000	23.4%
3	Irrigation (Dedicated Commercial)	849,000,000	11.4%	5,274,000	11.8%
4	Mansfield ISD (Schools)	207,000,000	2.9%	1,217,000	2.8%
5	Multi-Family (Apartments)	100,000,000	1.8%	649,000	1.5%
6	City of Mansfield (Parks & Facilities)	118,881,559	1.7%	710,575	1.2%
7	Johnson County SUD (Wholesale)	~80,000,000	1.5%	520,000	1.1%
8	Medical & Healthcare Facilities	~65,000,000	1.1%	420,000	0.9%
9	Retail & Power Centers	~35,000,000	0.9%	230,000	0.5%
10	Hydrant & Temporary Construction	~25,000,000	0.7%	160,000	0.4%
Totals		6,681,881,559	100.00%	$ 42,860,575	100.00%

Based on City of Mansfield 2025 Fiscal Year Budget and 2024–2025 Water Quality Reports

MANSFIELD
TEXAS